



**Auditor of State
Betty Montgomery**

BELMONT COUNTY

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BELMONT COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-through Entity Number	Expenditures	Noncash Expenditures
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>				
<i>Passed-Through State Department of Education:</i>				
Nutrition Cluster:				
Food Donation	10.550	NA	\$0	\$4,872
School Breakfast Program	10.553	065854-05-PU-03	3,929	0
National School Lunch Program	10.555	065854-LL-P4-03	9,563	0
Total Nutrition Cluster			<u>13,492</u>	<u>4,872</u>
Total United States Department of Agriculture			13,492	4,872
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed-Through State Department of Development:</i>				
Community Development Block Grants:				
Formula Allocation Program	14.228	B-F-01-007-1	110,770	0
Formula Allocation Program	14.228	B-F-02-007-1	192,599	0
Formula Allocation Program	14.228	B-F-03-007-1	0	0
Community Housing Improvement Program	14.228	B-C-01-007-1	39,448	0
Community Housing Improvement Program	14.228	B-C-03-007-1	0	0
Total Community Development Block Grants			<u>342,817</u>	<u>0</u>
HOME Investment Partnership Program:				
Community Housing Improvement Program	14.239	B-C-01-007-2	67,890	0
Community Housing Improvement Program	14.239	B-C-03-007-2	0	0
Total HOME Investment Partnership Program			<u>67,890</u>	<u>0</u>
Total United States Department of Housing and Urban Development			410,707	0
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>				
<i>Passed-Through State Department of Youth Services:</i>				
Juvenile Accountability Incentive Block Grants:				
Belmont County Drug Court Program	16.523	2000-JB-009-A004	0	0
Belmont County Drug Court Program	16.523	2002-JB-009-A004	11,434	0
Oakview Aftercare Program	16.523	2000-JB-013-A112	0	0
Oakview Aftercare Program	16.523	2002-JB-009-A112	28,524	0
Total Juvenile Accountability Incentive Block Grants			<u>39,958</u>	<u>0</u>
Juvenile Justice and Delinquency Prevention - Allocation to States				
Belmont County Juvenile Drug Court Program	16.540	2002-JJ-DA1-0095	4,434	0
<i>Passed-Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	16.575	2003VAGENE034	29,255	0
Crime Victim Assistance	16.575	2004VAGENE034	10,541	0
Total Crime Victim Assistance			<u>39,796</u>	<u>0</u>
Office of Justice Programs:				
Drug Court Program - Direct Program	16.585	2001-DC-BX-0030	84,845	0
<i>Passed-Through the Office of Criminal Justice Services:</i>				
Byrne Formula Grant Program:				
Belmont County OJIN Project	16.579	2002-DG-G01-9149	7,443	0
Belmont County OJIN Project	16.579	2004-RU-R59-9148	4,405	0
Total Byrne Formula Grant Program			<u>11,848</u>	<u>0</u>
Violence Against Women Formula Grants:				
Domestic Violence Investigation Project	16.588	2001-WF-VA2-8412	9,023	0
Domestic Violence Investigation Project	16.588	2002-WF-VA2-8412	29,942	0
Total Violence Against Women Formula Grants			<u>38,965</u>	<u>0</u>
Local Law Enforcement Block Grants Program:				
G.R.E.A.T. Program	16.592	2003-PS-PSN-302	3,373	0
Office of Justice Programs:				
Bulletproof Vest Partnership Program - Direct Program	16.607	2002-2013693	13,130	0
Office of Community Oriented Policing Services:				
COPS In-School Award - Direct Program	16.710	1999-SHWX-0457	133,601	0
Total United States Department of Justice			<u>369,950</u>	<u>0</u>

BELMONT COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-through Entity Number	Expenditures	Noncash Expenditures
<u>UNITED STATES DEPARTMENT OF LABOR</u>				
<i>Passed-Through State Department of Jobs and Family Services:</i>				
Work Force Investment Act Cluster:				
Workforce Investment Act - Adult Administration	17.258	N/A	18,522	0
Workforce Investment Act - Adult	17.258	N/A	203,292	0
Total Workforce Investment Act - Adult			<u>221,814</u>	0
Workforce Investment Act - Youth Administration	17.259	N/A	32,109	0
Workforce Investment Act - Youth	17.259	N/A	352,415	0
Total Workforce Investment Act - Youth	17.259	N/A	<u>384,524</u>	0
Workforce Investment Act - Dislocated Workers Administration	17.260	N/A	11,523	0
Workforce Investment Act - Dislocated Workers	17.260	N/A	126,485	0
Total Workforce Investment Act - Dislocated Workers			<u>138,008</u>	0
<i>Passed-Through Ohio Valley Employment Resource:</i>				
WIA Dislocated Workers - Central Ohio Coal & Windsor Mining Grant	17.260	N/A	28,514	0
WIA Dislocated Workers - Dislocated Coal Miners Grant; State Rapid Response	17.260	N/A	19,260	0
Total Workforce Investment Act - Dislocated Workers			<u>185,782</u>	0
Total United States Department of Labor - Work Force Investment Act Cluster			792,120	0
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<i>Passed-Through State Department of Public Safety - Emergency Management Agency:</i>				
Disaster Assistance	83.544	FEMA-1453-DR-013-123	7,063	0
Disaster Assistance	83.544	FEMA-1453-DR-013-060C6	254,932	0
Total Disaster Assistance			<u>261,995</u>	0
Total Federal Emergency Management Agency			261,995	0
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>				
<i>Passed-Through State Department of Education:</i>				
Special Education Cluster:				
Special Education - Grants to States	84.027	065854-6BSF-2003-P	25,349	0
Special Education - Grants to States	84.027	065854-6BSF-2004	15,887	0
Total Special Education - Grants to States			<u>41,236</u>	0
Special Education - Preschool Grants	84.173	065854-PGS1-2003-P	5,836	0
Special Education - Preschool Grants	84.173	065854-PGS1-2004	3,339	0
Total Special Education - Preschool Grants			<u>9,175</u>	0
Total Special Education Cluster			50,411	0
Innovative Education Program Strategies, Title V	84.298	065854-C2-S1-2003	608	0
Innovative Education Program Strategies, Title V	84.298	065854-C2-S1-2004	103	0
Total Innovative Education Program Strategies, Title V			<u>711</u>	0
Total United States Department of Education			51,122	0
<u>UNITED STATES DEPARTMENT OF JOB AND FAMILY SERVICES</u>				
<i>Passed-Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
Social Services Block Grant - Title XX	93.667	N/A - 2003	44,551	0
Social Services Block Grant - Title XX	93.667	N/A - 2004	28,004	0
Total Social Services Block Grant - Title XX			<u>72,555</u>	0
Medical Assistance Program				
Community Alternative Funding System - Title XIX	93.778	0700012	844,298	0
Targeted Case Management	93.778	0700012	306,480	0
Waiver Administration System	93.778	0700012	42,948	0
Total Medical Assistance Program			<u>1,193,726</u>	0
Total United States Department of Job and Family Services			1,266,281	0
<u>NATIONAL SERVICE AND COMMUNITY ACT</u>				
<i>Passed-Through State Department of Youth Services:</i>				
Americorps - Youth and Communities in Partnership	94.006	YCP-028-02	0	0
Americorps - Youth and Communities in Partnership	94.006	YCP-001-03	10,743	0
Total Americorps - Youth and Communities in Partnership			<u>10,743</u>	0
Total National Service and Community Act			10,743	0

BELMONT COUNTY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-through Entity Number	Expenditures	Noncash Expenditures
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
<i>Passed-Through State Department of Public Safety - Emergency Management Agency:</i>				
State Domestic Preparedness Equipment Support Program				
State Domestic Preparedness MARCS County Radio Installation Program	97.004	2001-TE-CX-0016	705	0
State Domestic Preparedness Program	97.004	2002-TE-CX-0049	21,559	0
State Domestic Preparedness Program	97.004	2002-TE-CX-0106	13,078	0
State Homeland Security Grant Program	97.004	2003-TE-TX-0199	0	0
State Homeland Security Grant Program	97.004	2003-MUP-30015	0	0
Total Domestic Preparedness Equipment Support Program			<u>35,342</u>	<u>0</u>
Emergency Management Performance Grants				
Emergency Management Performance Grant	97.042	EMC-2003-GR-7006	36,482	0
State and Local All Hazards Emergency Operations Planning				
FEMA Supplemental Planning Grant	97.051	EMC-2003-GR-7026	36,664	0
Citizens Corps				
FEMA Supplemental Citizens Corps Grant	97.053	EMC-2003-GR-7027	1,769	0
Community Emergency Response Teams				
FEMA Supplemental Community Emergency Response Team (CERT) Grant	97.054	EMC-2003-GR-7026	100	0
FEMA Community Emergency Response Team (CERT) Grant	97.054	EMC-2003-GR-7066	0	0
			<u>100</u>	<u>0</u>
Total United States Department of Homeland Security			<u>110,357</u>	<u>0</u>
Total Federal Awards Expenditures			<u>\$3,286,767</u>	<u>\$4,872</u>

The Notes to the Schedule of Federal Awards Expenditures is an integral part of the Schedule.

BELMONT COUNTY

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

Program regulations do not require the County to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by fixtures, machinery, and equipment. At December 31, 2003, the gross amount of loans outstanding under this program was \$388,775. No new loans were made during calendar year 2003. Delinquent amounts due are \$20,224.

NOTE D – MATCHING

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



**Auditor of State
Betty Montgomery**

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

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Belmont County, Ohio (the County), as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 17, 2004, wherein we noted the County implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34. We did not audit the financial statements of Belco Crafts, Inc., the County's only discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Belco Crafts, Inc., on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Belco Crafts, Inc., were audited by other auditors in accordance with auditing standards generally accepted in the United States of America and not in accordance with Government Auditing Standards. Accordingly this report does not extend to that component unit.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the County's management in a separate letter dated September 17, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the County's management in a separate letter dated September 17, 2004.

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

September 17, 2004



Auditor of State Betty Montgomery

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

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County Commissioners:

Compliance

We have audited the compliance of Belmont County, Ohio (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

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 basic financial statements of the County as of and for the year ended December 31, 2003, and have issued our report thereon dated September 17, 2004, wherein we noted the County implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34. We did not audit the financial statements of Belco Crafts, Inc., the County's only discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Belco Crafts, Inc., on the report of the other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

September 17, 2004

BELMONT COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505
FOR THE YEAR ENDED DECEMBER 31, 2003**

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 Section .510?	No
(d)(1)(vii)	Major Programs (list):	Workforce Investment Act Cluster, CFDA #17.258-17.260 Medical Assistance Program, CFDA #93.778
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

BELMONT COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION.505
FOR THE YEAR ENDED DECEMBER 31, 2003**

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

BELMONT COUNTY

**SCHEDULE OF PRIOR AUDIT FINDING
OMB CIRCULAR A-133 SECTION .315(b)
FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding <u>No Longer Valid</u> ; <i>Explain:</i>
2002-001	Ohio Rev. Code Section 135.37(A) provides that at the time any institution receives a deposit of public moneys it shall pledge to and deposit with the investing authority, as security for the repayment of all public moneys to be deposited, eligible securities of aggregate market value equal to or in excess of the amount of public moneys on deposit.	Yes	N/A.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003



BELMONT COUNTY, OHIO

Front Cover:

Starting in 1998, Belmont County native Scott Hagan traveled the state painting the red, white and blue Bicentennial logo on one barn in each of the 88 counties. In 2003, Scott painted the 88th barn in Sandusky County.

March 1, 1803. On that date, official "state" business was conducted for the first time. Governor Edward Tiffin and members of the first Ohio General Assembly convened in Chillicothe for the first time, completing the transfer of power from territorial officers to elected state officials. Each of the 88 counties participated in Bicentennial events to celebrate Ohio's 200th Birthday.



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BELMONT COUNTY, OHIO

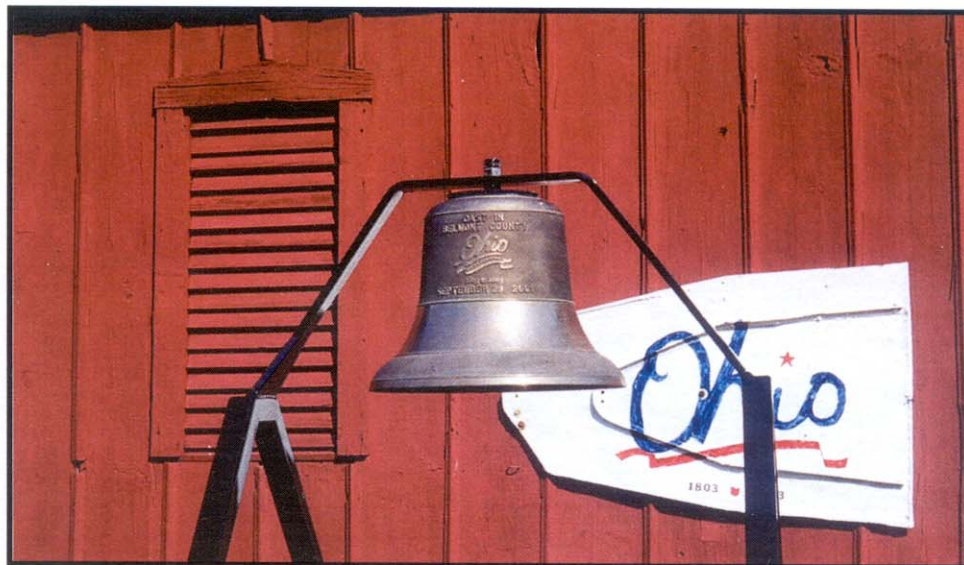
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

JOSEPH A. PAPPANO

BELMONT COUNTY AUDITOR

Introductory Section



As a part of the Ohio Bicentennial celebration each county received a bell to commemorate the event. The casting of the Belmont County bell took place September 29, 2001 in Barnesville during the Pumpkin Festival.

Belmont County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003
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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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BELMONT COUNTY

JOSEPH A. PAPPANO

Auditor

Secretary of Budget Commission
Secretary of Board of Revision



Auditor's Office

101 West Main Street • St. Clairsville, Ohio 43950
www.belmontcountyohio.org/auditor.htm

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September 17, 2004

Honorable Ryan E. Olexo, President
Honorable Charles R. Probst, Jr.
Honorable Mark A. Thomas

Citizens of Belmont County, Ohio:

As Auditor of Belmont County, I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Belmont County for the year ended December 31, 2003. This CAFR, which includes financial statements and other financial and statistical data, conforms to Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the County. In addition, this report includes the implementation of the new reporting model as promulgated by GASB Statement 34. Note 3 to the basic financial statements provide additional information concerning this implementation.

The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of the 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 the County and the results of its operations with other governmental entities. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, lies with the management of Belmont County, specifically the County Auditor's office.

The CAFR is divided into three sections: an Introductory Section, a Financial Section, and a Statistical Section. The Introductory Section includes the table of contents, this transmittal letter, the 2002 Certificate of Achievement for Excellence in Financial Reporting, a list of elected and principal appointed officials, and the County's organizational chart. The Financial Section contains the Auditor of State's opinion letter, Management's Discussion and Analysis (MD&A), the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for non-major funds that provide detailed information relative to the Basic Financial Statements and the combining and individual fund financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

REPORTING ENTITY:

For financial reporting purposes, the County has included all agencies, departments and organizations that are not legally separate from the County (the Primary Government.) and its Component Unit in accordance with principles established by the Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity."

Component Units are legally separate organizations for which the County is financially accountable. Belco Crafts, Inc. has been included as a discretely presented component unit.

The County Auditor serves as fiscal agent for the following organizations which are included as agency funds in this report:

Belmont County Soil and Water Conservation District
Belmont County District Board of Health
Local Emergency Planning Commission

The County participates in the following joint ventures and jointly governed organizations with other area counties:

- (A) Belmont-Harrison Juvenile District;
- (B) Belmont, Harrison, and Monroe Counties Cluster;
- (C) Bel-O-Mar Regional Council;
- (D) Mental Health Recovery Board;
- (E) Southeast Ohio Juvenile Rehabilitation District (SOJRD);
- (F) Area Office on Aging;
- (G) Ohio Mid-Eastern Governments Association (OMEGA);
- (H) Jefferson-Belmont Joint Solid Waste Authority;
- (I) South Eastern Narcotics Team (SENT);
- (J) Belmont County Family and Children First Council;
- (K) East Ohio Correctional Facility;
- (L) Buckeye Hills Resource Conservation and Development (RC&D); and
- (M) Belmont-Jefferson Workforce Policy Board.

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

- (A) Belmont Metropolitan Housing Authority;
- (B) Belmont Park District

The County participates in the County Risk Sharing Authority, which is a public entity risk sharing pool, and the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan. A complete discussion of the County's reporting entity is presented in Note 1 to the Basic Financial Statements.

THE COUNTY AND FORM OF GOVERNMENT

The County

Established September 7, 1801, Belmont County was the ninth County formed from the Northwest Territory. The County encompasses sixteen townships, six fire districts, two cities, and fourteen villages, with three of these villages overlapping into other counties. With a 2000 census population of 5,057, St. Clairsville is the County seat. According to the 2000 Census, 69,448 people reside within the County's 534 square miles. Situated on the Ohio River across from Wheeling, West Virginia, the County is readily accessible by means of Interstate Routes 70 and 470, United States Routes 40 and 250, and sixteen state highways.

Belmont County provides its citizens with a wide range of services including the following:

- Human and Social services
- Health and Community Assistance services
- Civil and Criminal Justice System services
- Road, Bridge, and Building maintenance
- Water and Sewer Utility services
- General and Administrative Support services

Form of Government

A three-member Board of Commissioners, fourteen other elected officials, and various department heads govern the County. Although the elected officials and the department heads manage the internal operations of their respective divisions, the Board of Commissioners authorizes expenditures and serves as the budget and taxing authority, contracting body, and the chief administrator of County services.

As the chief disbursing agent, fiscal officer, and tax assessor, the County Auditor is responsible for issuing warrants for liabilities incurred by the County, preparation of the County payroll, maintaining all financial records and reports, and establishing taxing rates for manufactured homes, personal property and real estate. Once collected, tax receipts are distributed to the appropriate city, village, township, fire district, or school district in accordance with the legally adopted rates. The County Auditor also serves as the sealer of weights

and measures and as the licensing agent for certain licenses required by Ohio law.

The County Treasurer, as the custodian of all County funds, is responsible for collecting tax monies and applying payments to the appropriate tax account. The County Treasurer is also responsible for investing idle funds as specified by Ohio law.

In addition to the Board of County Commissioners, the Auditor, and the Treasurer, other elected officials of the County include the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, three Common Pleas Court Judges, and three County Court Judges.

Administration of the Justice System

As a part of the administration of the justice system, the County maintains the Common Pleas Court, which includes a Domestic Relations Division, a Probate Division and a Juvenile Division, three County Court Divisions, and the Court of Appeals. The County also maintains the Prosecuting Attorney's offices and the County Jail. The Prosecuting Attorney is designated by Ohio law as the chief legal counsel for all County officers, boards, and agencies, including the Commissioners, the County Auditor and the County Treasurer.

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

The County Sheriff is the chief law enforcement officer of the County. The sheriff enforces the law in unincorporated areas of the County, maintains the County Jail, and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the court, the Sheriff is in charge of the preparation and service of documents. The Sheriff employs fifty-six deputies and eighteen part-time employees to staff the jail and civil office.

LOCAL ECONOMY

Belmont County covers 534 square miles of eastern Ohio and is situated on the Ohio River across from Wheeling, West Virginia. The County is readily accessible by means of Interstate Routes 70 and 470, United States Routes 40 and 250, and sixteen state highways.

The local economic development activities are showing signs of a slow reactivation, following along national trends, albeit not as fast as other regions. Broad economic implications locally include the stabilization and resurgence of several key industries, banking/financial, retailing and health care market leaders. Wheeling Pittsburgh Steel's emergence from bankruptcy and construction of a high quality, efficient electric arc furnace to serve new steel materials markets are positive signs of a financial turn around.

On the plus side, the County received a new bond rating, which will save the County money. Through the efforts of the Belmont County auditor and commissioners offices, the County received an A-3 bond rating from Moody's Investors Group. With this rating Moody's has deemed the county's financial management secure. The county will receive the best rate on interest, insurance and bond issuance costs.

With the installation and extension of a new force main sewer system at the Interstate 70, Exit 208 intersection new businesses have emerged with the opening of a new McDonald's and a BP Stop-Go station. Other businesses have declared their intent for future expansion and new business openings at this location.

Trade activities, particularly with Belmont County utilizing a revival of the Ohio River transportation commerce, is an area to be considered for new business growth within the next 10 to 15 years. Asset mapping is needed so that Belmont County will be aware of what industries should be targeted and marketed. Import/export needs can be exploited for major interior segments of Ohio and the Midwest by developing Ohio River distribution, value-added commodities, warehousing and custom manufacturing activities.

East Ohio Regional Hospital – Work is continuing on massive expansion projects that will allow the hospital to provide state-of-the-art emergency care for patients. East Ohio is part of the Ohio Valley Health Services and Education, along with Ohio Valley Medical Center in Wheeling, WV. A designed three-step plan will take two or three years to complete at a total cost of \$11 million. The first step was the renovation of an existing area of the hospital to allow for the addition of 15 inpatients beds. Step two involves an overhauling of the existing emergency department, which will include enlarging several areas to accommodate both a triage room and trauma room due to the hospital's recent Level III Trauma designation. Step one and two are complete. Step three will involve the construction of a new surgical department and ground level parking that will connect to the new 15-bed unit. The 39,000 square foot surgical suite will include six operating rooms, two Gastrula Intestinal rooms, a recovery room, dedicated waiting area and an expanded sterile processing department. The hospital employs more than 600 people, making it one of the County's largest employers.

Mayflower Vehicle Systems – Mayflower Vehicle Systems was awarded a Targeted Industrial Training Grant (TITG) in conjunction with Ohio University and the Boards of Regents. Through this 50/50 matching grant the firm has taken the lead in technology training for the 300 employees at its Shadyside plant and has committed to obtaining the ISO-14001 quality certification. The training program helped support the firm's eligibility to bid on ISO quality contract requirements with international automakers. Excellent performance on close tolerance and custom stamping production on existing contracts positioned the firm to win new contracts for Ford's new model sports coupe and Chevrolet's SSR sport vehicle. These contracts will amount to about \$5 million in new revenue for the plant.

Interim Health Care, Inc. – Franchise owners and contracted operators recently located in Bridgeport. About 150 nurse, administrator and caregiver personnel are employed with the agency.

Retail Sales - Retail sales in the County continue to increase although at a much slower pace than in previous years.

New Businesses - The most recent retail openings in and around the Ohio Valley Mall and Ohio Valley Plaza are UPS Store, Poisins Jewelers, Altmeyer's Bed & Bath, David's Bridal and Dollar Mania. A new BP Stop-Go and McDonald's restaurant opened at Interstate 70, exit 208 at Morristown.

MAJOR INITIATIVES:

Current Year Projects

County

Board of Mental Retardation and Developmental Disabilities (BMRDD) - The Belmont County Board of MRDD took over the responsibilities regarding residential quality assurance activities for individuals who receive Individual Options Waiver services. With the restructuring of the BMRDD Quality Assurance Department, it has enabled the department to interact with the BMRDD Service and Support Administration Department and the BMRDD Department of Investigative Services. The result is a system of monitoring that ensures continuous quality assurance activities for individuals who receive residential services as funded by the County Board.

Belco Crafts, Inc. workshop, a non-profit organization that employs adults with disabilities, continues to provide meaningful employment for adults with developmental disabilities through the addition of two new packaging and assembly sub contracts.

Belco entered the drug free workplace program sponsored through the Bureau of Workers Compensation that will cut workers compensation costs by 20 percent. Belco has also joined the BWC 10 step business plan, which will provide an additional five percent reduction in its rate.

Fox-Commerce Industrial Park – Progress is nearing in the transfer of the first several lots to new tenants. This County sponsored \$2.8 million development is located along Interstate 70 and County Road 80. The 125-acre park can accommodate 18 lots in sizes from two to twenty acres. Overall, Interest by new businesses is very significant. The funding for the project is a combination of federal grants, a state loan, and Belmont County's share of \$400,000. Fox-Commerce is the second Industrial Park created in Belmont County.

Engineer – Bids were opened for resurfacing 4.58 miles of the upper section of County Highway 48, Wegee Road and 2.10 miles of the upper section of County Highway 56, Mt. Victory Roads for a total cost of \$268,692. Four new International dump trucks were purchased at a cost of \$70,546 each that includes a snowplow and spreader.

A bid for \$88,681 was awarded for the placement of pre-drilled concrete filled steel casing for slip repairs along various county highways. A total of 133 piles were placed on Sand Hill Road, 39 on Lansing-Chermont Road, 28 on Fulton Hill Road with 34 remaining to be placed on Winding Hill Road.

The Ohio Public Works Commission approved \$286,750 in funding for the replacement of a new bridge over Captina Creek on County Highway 5. The total project will cost \$387,500 with remainder of the cost coming from County funds and will begin in the spring 2004.

Emergency 911 – On the ortho photography maps for the county Geographic Information System (GIS) system there is a reference number for every building in the county. Through a data base the 911 personnel attached an address to the building number on the maps. The rural house number data has been completed and is now being reviewed. Along with current information this will allow 911 dispatchers access to a map that will show the street or road and an outline of the structure that corresponds with the address when a 911 call is received. There are approximately 17,000 structures to be cross-matched. The new program will allow for a more direct route for our public safety units to those in need. Data for the cities and villages is now being entered.

Park Health Center – Park Health was granted certification by the Ohio Department of Health for 99 dually Medicare/Medicaid certified beds. This will allow for a skilled admission in any of the ninety-nine beds. Previously, seventeen beds were dually certified.

Sanitary Sewer District – This year saw the completion of several water and sewer projects. The United States Route 40 from County Road 56 to Exit 215 and Reservoir Road sewer force main 1.2 mile project was completed at a cost of \$148,468. The pump station for the US Route 40/Exit 215 project was completed at a cost of \$205,740. Other projects completed in 2003 were the 2.9 mile Brooks Run & William Creek Waterline Extensions at a cost of \$491,466; Belmont County Park Water and Sewer Line extension at \$79,917; the 7.2 mile Barnesville Pigeon Point Road Waterline at a cost of \$746,994; and the 3.1 mile Centerville/State Route 147 at \$377,313.

Funding for these projects comes from the county one-half cent piggyback tax, loans, WW# 3 revenues, tap-in fees and \$3 of the monthly user fee for each 1000 gallons of water consumed and or sewage generated.

2004 AND THE FUTURE:

Fox-Commerce Park - The opening of Fox Commerce Park is the single most proactive development for 2004. Tim's Custom Installation, a custom countertop shop, and Macks Inc. a drywall supply company are the first two tenants to locate in the 125-acre Park. Each company will begin construction this year on a new building. Potential for new employment will exceed 20 persons.

Sanitary Sewer District – The County continues a progressive program to provide water and sewer services to areas not served by these types of infrastructure. The following water and sewer projects that are presently in the construction stage and nearing completion or have been completed are the 4.6 mile State Route 149/Glencoe Woods Road/Angelo Road/Hollyview Drive water line extension at a cost of \$608,485; and a 1.5 mile gravity sewer line along Interstate 70 exit 208 at a cost of \$557,000. Other projects scheduled for completion in 2004 are the \$1.5 million Lamira-Loomis Waterline Extension which consists of a 12 mile 12 inch transmission line, a two million gallon water tank at a cost of \$1.1 million and a \$265,900 booster pump station.

Future projects include the Mt. Victory Road Waterline Extension and State Route 148; York Township Waterline Extension for a backup water supply; McMahon Creek water booster pump station; Powhatan, Armstrong Mills, State Route 148 Waterline Extension; and the Belmont Sewer Pump station and force main design.

Funding for these projects comes from the county one-half cent piggyback tax, loans, WW# 3 revenues, tap-in fees and \$3 of the monthly user fee for each 1000 gallons of water consumed and or sewage generated.

Carnes Community Center – As part of the Belmont Park District, this 22,000 square foot convention and exhibit center is scheduled for March 2004 opening.

Cabela's - Although located on Interstate 70 at Dallas Pike, in Ohio County, West Virginia, this new outdoor supply store will generate millions of tourists which will ultimately generate revenue for the surrounding states of Ohio and Pennsylvania either through lodging, shopping or dining. The complex also includes a 600,000 square-foot distribution center, a hotel and restaurants.

When the facility opens Aug. 12, a walk through Cabela's will feel more like an adventure in the wild than afternoon of shopping in Dallas Pike. While browsing for hunting, fishing and outdoor supplies shoppers will be treated to a wide array of wildlife scenes that will fill the 175,000 square-foot retail store. A two-story mountain, convincing animal replicas and a fully stocked aquarium are just some of the attractions that will attract visitors from near and far.

FINANCIAL INFORMATION:

Basis of Accounting

Belmont County's accounting system is organized on a "Fund Basis." Each fund is a self-balancing set of accounts.

Internal Control Structure

In developing the County's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, although not absolute, assurance regarding both the safeguarding of the County's assets against loss and misuse, and assurance regarding the reliability of financial records for the preparation of 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.

Belmont County uses a fully automated accounting system and payroll system. These systems, combined with the manual auditing of each voucher prior to payment by the Auditor's office ensure that the financial information generated is both accurate and reliable.

Budgetary Controls

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

A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular account. Additional information concerning the County's budgetary controls may be found in Notes to the Basic Financial Statements.

Financial Condition

This is the first year the County has prepared financial statements following GASB Statement 34 – "Basic Financial Statements-and-Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the County's financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons – These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As a part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the County. This discussion follows the Independent Accountants' Report, providing an assessment of the County finances for 2003.

CASH MANAGEMENT:

During the year ended December 31, 2003, the County's cash resources were divided into bank deposits and investments in certificates of deposit, treasury notes, STAROhio and repurchase agreements. The County Treasurer, as custodian of the County monies, is responsible for investing idle funds and directing the investment policies of the County. The County pools its cash to maximize investment efficiency and to simplify accountability. Approximately 98 percent of all available monies are maintained continually in interest bearing activities. Interest is deposited almost entirely in the general fund. Further discussion of the County's finances for 2003 can be found in the Management Discussion and Analysis following the report of the Auditor of State.

RISK MANAGEMENT:

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

All insurance is held with CORSA, with the exception of workers' compensation. In 1992, the County joined a pool with 49 other Ohio counties (all CORSA members) for a workers' compensation group-rating program. A cost savings was realized on the annual premium cost in 2003.

The County maintains three fully insured health plans for eligible County employees and their dependents. The eye, dental and prescription coverage for eligible employees and their dependents is administered by the respective insurance companies.

INDEPENDENT AUDIT:

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2003, by our independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements as set forth in the state statues, the audit is also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996.

County management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a CAFR. The annual audit 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 Belmont County for the year ended December 31, 2002. The County has received this prestigious award for twelve consecutive years. In order to be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized comprehensive annual financial report, whose contents satisfy all program standards. Reports must conform to generally accepted accounting principles (GAAP) and satisfy all applicable legal requirements respective to the entity.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the Certificate of Achievements Program's requirements, and we are again submitting it to the GFOA to determine its eligibility to receive the certificate, which is the highest form of recognition in the area of governmental financial reporting.

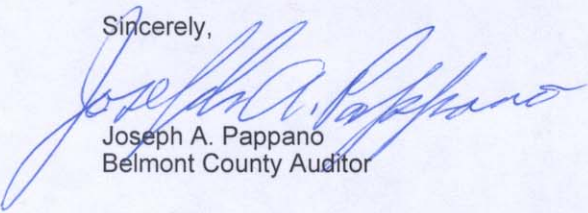
ACKNOWLEDGMENTS:

The publication of this report represents an important achievement in the ability of Belmont County to provide significantly enhanced financial information and accountability to the citizens of Belmont County, its elected officials, County management and investors. This report continues the aggressive program of the County Auditor's office to improve the County's overall financial accounting, management and reporting capabilities.

Preparation of this report could not have been accomplished without the auditor's office staff and especially Roger Conroy, Deputy Auditor, Sheila Turner, Supervisor of Accounting and Judy Jenewein, Special Assistant whose efforts made this report possible. To the County elected officials, department heads and their staffs, I extend my sincere appreciation and thanks for your assistance and cooperation. My appreciation is also extended to the Local Government Services Section of the Auditor of State's office, for their hard work and dedication in preparing this financial report.

And to the Citizens of Belmont County, thank you for providing me with the opportunity to present a professional and complete financial report.

Sincerely,



Joseph A. Pappano
Belmont County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Belmont County,
Ohio

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

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**BELMONT COUNTY, OHIO
ELECTED OFFICIALS**

Board of Commissioners
Ryan E. Olexo, President
Charles R. Probst
Mark A. Thomas

Auditor
Joseph A. Pappano

Clerk of Courts
Randy L. Marple

Coroner
Luis A. Vazquez, MD.

Engineer
Fred F. Bennett

Prosecuting Attorney
Frank Pierce

Recorder
Mary Catherine Nixon

Sheriff
Thomas C. McCort

Treasurer
Joseph A. Gaudio

Court of Common Pleas
Judge Jennifer Sargus
Judge John M. Solovan II

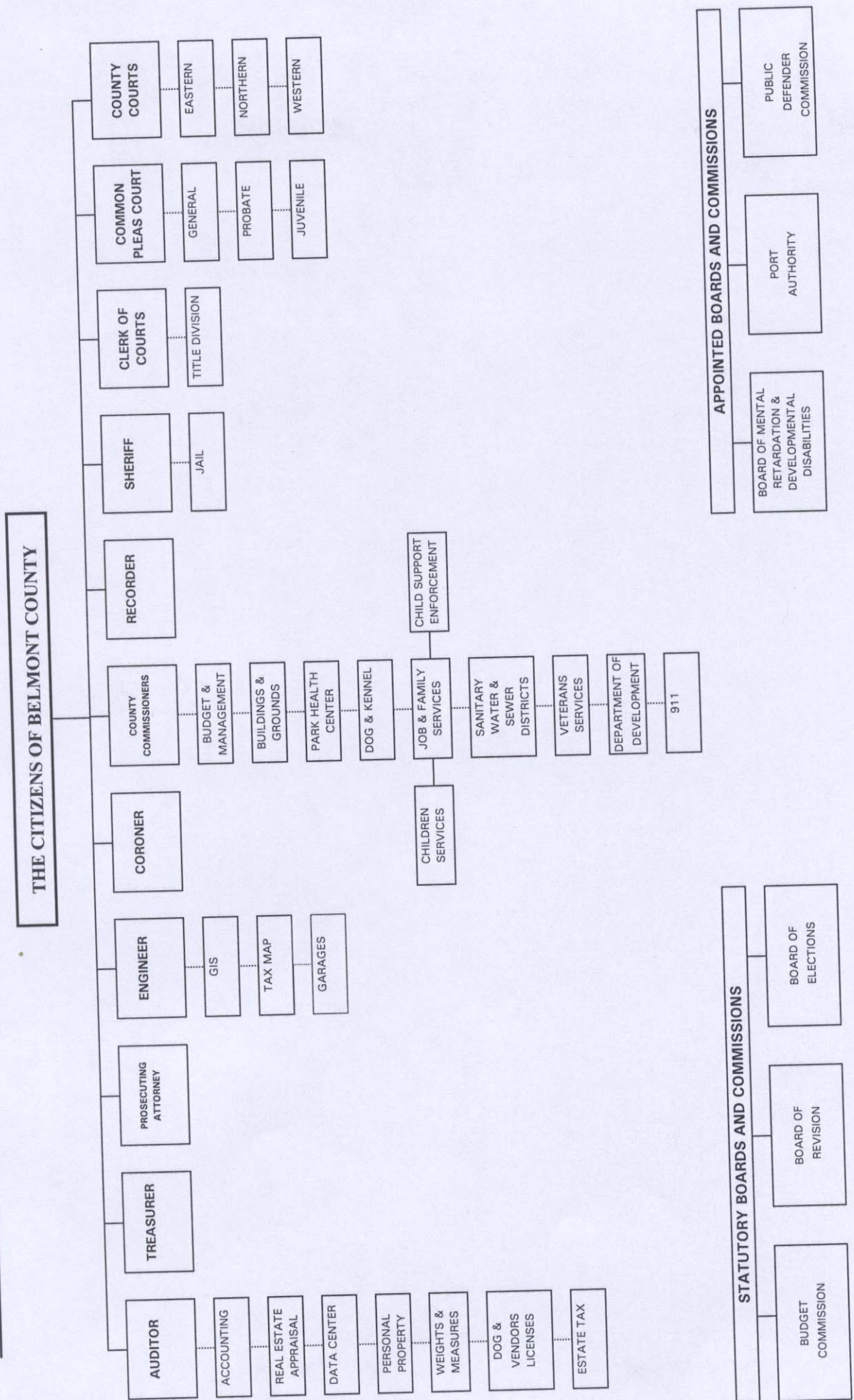
Court of Common Pleas: Probate and Juvenile
Judge J. Mark Costine

County Court Divisions
Judge D. William Davis - Eastern
Judge Frank A. Fregiato - Northern
Judge Harry W. White - Western

**BELMONT COUNTY, OHIO
PRINCIPAL APPOINTED OFFICIALS AND DEPARTMENT HEADS**

Clerk of Commissioners	Darlene Pempek
Board of Elections	William F. Shubat
Building and Grounds, Superintendent	William Eddy
Dog Pound, Director	Vacant
Department of Human Services, Director	Dwayne Pielech
Department of Development, Director	Eva Lunder
Mental Retardation and Development Disabilities, Superintendent	Monty L. Kerr
Veterans Services, Director	Cindy Maupin
Park Health Center, Administrator	Lynn A. Agostini
Sanitary Sewer and Water Districts, Director	Mark Esposito
Public Defender	James L. Nichelson
9-1-1 Emergency, Director	Cliff Sligar
Port Authority	Donald R. Myers

BELMONT COUNTY GOVERNMENT ORGANIZATIONAL CHART



Financial Section



The Ohio Bicentennial Wagon Train traveled across Ohio starting in Martins Ferry and ending at New Paris. The wagon train stopped at several local communities.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Belmont County, Ohio (the County), as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Belco Crafts, Inc., the County's only discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Belco Crafts, Inc., on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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. The other auditors audited the financial statements of Belco Crafts, Inc., in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Belmont County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Public Assistance, and Mental Retardation Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the County implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2004, 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 Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We and the other auditors subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

September 17, 2004

Belmont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The discussion and analysis of Belmont County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

The assets of the County exceeded its liabilities at December 31, 2003 by \$111,321,487 (net assets). Of this amount \$19,418,731 is unrestricted and may be used to meet the County's ongoing obligations. Governmental activities' unrestricted net assets are \$10,034,310. The County's total net assets decreased by \$992,369, which represents less than a one percent change from 2002.

At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$25,728,734, an increase of \$2,448,163 from the prior year. Of this amount, \$21,744,742 is available for spending (unreserved fund balance) on behalf of its citizens.

At the end of the current year, unreserved, undesignated fund balance for the General Fund was \$3,074,915, which represents 19 percent of total General Fund expenditures.

Using This Annual Financial Report

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

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

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

County-Wide Financial Statements

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

Statement of Net Assets and Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, except for the County's fiduciary funds, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies.

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This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

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

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

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

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

Fund Financial Statements

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

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

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

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

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Proprietary Funds - Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the various Water Fund and Sewer Fund operations, and the operation of the Park Health Center facility.

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

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

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

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2003 compared to 2002:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$45,076,448	\$42,876,700	\$12,201,830	\$12,592,017	\$57,278,278	\$55,468,717
Capital Assets, Net	67,806,178	71,055,821	32,425,783	30,602,510	100,231,961	101,658,331
Total Assets	112,882,626	113,932,521	44,627,613	43,194,527	157,510,239	157,127,048
Liabilities						
Long-Term Liabilities	9,251,878	7,717,294	17,614,474	16,462,158	26,866,352	24,179,452
Other Liabilities	13,939,209	15,226,612	5,383,191	5,407,128	19,322,400	20,633,740
Total Liabilities	23,191,087	22,943,906	22,997,665	21,869,286	46,188,752	44,813,192
Net Assets						
Invested in Capital Assets,						
Net of Debt	60,396,082	63,168,081	11,630,713	10,073,308	72,026,795	73,241,389
Restricted	19,261,147	18,083,624	614,814	594,171	19,875,961	18,677,795
Unrestricted	10,034,310	9,736,910	9,384,421	10,657,762	19,418,731	20,394,672
Total Net Assets	\$89,691,539	\$90,988,615	\$21,629,948	\$21,325,241	\$111,321,487	\$112,313,856

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$111,321,487 (\$89,691,539 in governmental activities and \$21,629,948 in business-type activities) as of December 31, 2003. By far, the largest portion of the County's net assets (67.34 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure), less any related debt, used to acquire those assets, that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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An additional portion of the County's net assets (17 percent) consists of unrestricted assets (\$19,418,731) which may be used to meet the County's ongoing obligations to citizens and creditors. The remaining balance (18 percent) represents resources that are subject to restrictions on how they can be used.

Table 2 shows the changes in net assets for 2003. Since this is the first year that the County has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes in Net Assets

	Governmental Activities 2003	Business-Type Activities 2003	Totals 2003
Revenues			
Program Revenues:			
Charges for Services	\$6,054,555	\$10,832,053	\$16,886,608
Operating Grants	22,094,865	0	22,094,865
Capital Grants	6,804	53,399	60,203
Total Program Revenues	28,156,224	10,885,452	39,041,676
General Revenues:			
Property Taxes	8,623,483	0	8,623,483
Permissive Sales Taxes	11,551,273	0	11,551,273
Grants and Entitlements	1,433,321	0	1,433,321
Investment Earnings	739,289	245,733	985,022
Miscellaneous	374,320	21,195	395,515
Total General Revenues	22,721,686	266,928	22,988,614
Total Revenues	50,877,910	11,152,380	62,030,290
Program Expenses			
General Government			
Legislative and Executive	6,222,380	0	6,222,380
Judicial	2,790,146	0	2,790,146
Public Safety	8,058,561	0	8,058,561
Public Works	7,870,853	0	7,870,853
Health	10,901,109	0	10,901,109
Human Services	14,796,233	0	14,796,233
Economic Development and Assistance	199,171	0	199,171
Intergovernmental	1,021,276	0	1,021,276
Interest and Fiscal Charges	315,257	0	315,257
Park Health Center	0	5,664,084	5,664,084
Sanitary Sewer District 2	0	916,662	916,662
Water Works 3	0	2,563,055	2,563,055
Other Enterprise	0	1,703,872	1,703,872
Total Expenses	52,174,986	10,847,673	63,022,659
Change in Net Assets	(\$1,297,076)	\$304,707	(\$992,369)

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Governmental Activities

Operating grants were the largest program revenue, accounting for \$22,094,865 or 43.43 percent of total governmental revenues. The major recipients of intergovernmental program revenues were the Public Assistance and Mental Retardation special revenue funds.

The County's direct charges to users of governmental services made up \$6,054,555 or 11.9 percent of total governmental activities' revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, road improvements for subdivisions and licenses and permits.

Property tax revenues account for \$8,623,483 of the \$50,877,910 total revenues for governmental activities, or 16.95 percent of total revenues. Another major component of general revenues was sales taxes, which accounted for \$11,551,273 or 22.70 percent of total revenues.

The human services program accounted for \$14,796,233 of the \$52,174,986 total expenses for governmental activities, or 28.36 percent of total expenses. The next largest program was health, accounting for \$10,901,109 and representing 20.89 percent of total governmental expenses.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues. Comparisons to 2002 have not been made since they are not available.

Table 3
Governmental Activities

	Total Cost of Services 2003	Net Cost of Services 2003
General Government		
Legislative and Executive	\$6,222,380	\$4,026,089
Judicial	2,790,146	1,207,593
Public Safety	8,058,561	6,645,203
Public Works	7,870,853	2,672,649
Health	10,901,109	6,297,666
Human Services	14,796,233	1,633,858
Economic Development and Assistance	199,171	199,171
Intergovernmental	1,021,276	1,021,276
Interest and Fiscal Charges	315,257	315,257
Total Expenses	\$52,174,986	\$24,018,762

Charges for services and grants of \$28,156,224 (53.96 percent of the total costs of services) are received and used to fund the expenses of the County. The remaining \$24,018,762 in general government expenses is funded by property taxes, sales taxes, and intergovernmental revenues.

Business-Type Activities

The net assets for business-type activities increased by \$304,707 during 2003. Major revenue sources were charges for services of \$10,832,053.

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Financial Analysis of County Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2003, the County's governmental funds reported a combined ending fund balance of \$25,728,734, a increase of \$2,448,163 in comparison with the prior year. Approximately 84.53 percent of this total (\$21,744,742) constitutes unreserved fund balance, which is available for spending at the County's discretion.

The General Fund is the primary operating fund of the County. At the end of 2003, unreserved, undesignated fund balance was \$3,074,915, while total fund balance was \$5,731,197. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.02 percent to total General Fund expenditures, while total fund balance represents 35.44 percent of that same amount.

The fund balance of the County's General Fund decreased by \$927,956 during 2003.

Enterprise Funds - The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Enterprise Funds at December 31, 2003, were \$9,384,421. Unrestricted net assets increased by \$304,707.

Budgetary Highlights

The County's budgeting process is prescribed by the Ohio Revised Code. Essentially, the budget is the appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with Ohio Revised Code. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted, accordingly. All elected officials worked closely with the County Commissioners to reduce, maintain, or hold down increases in departmental expenditures.

The most significant changes between the General Fund original budget and the final budget was in the Public Safety expenditures which increased from \$3,887,259 to \$6,018,497, or 54.83%, the Intergovernmental expenditures increased from \$683,637 to \$1,007,435, or 47.36%, and transfers out increased from \$385,000 to \$2,673,071, or 594.30% while revenues increased 16.10% with increased Permissive Sales Tax revenues being the largest factor of this change. Year-end budgeted fund balance for the General Fund decreased between the original budget and the final budget from \$3,852,395 to \$371,863, or 90.35% because of these variances.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2003, were \$100,231,961 (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure. For governmental activities, significant capital asset additions during 2003 included resurfacing 4.58 miles of the upper section of County Highway 48, Wegee Road

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and 2.10 miles of the upper section of County Highway 56, Mt. Victory Roads.

For business-type activities, major capital asset additions during 2003 included additions to construction in progress for various waterline extension projects and various sanitary sewer projects. Note 10 (Capital Assets) provides capital asset activity during 2003.

Long Term Debt - As of December 31, 2003, the County had total general obligation bonded debt outstanding of \$8,255,691. This debt is expected to be repaid through governmental activities as well as user charges in business-type activities. The County's long term general obligation bonded debt decreased by \$603,860 (7 percent) during 2003. Other outstanding long-term debt included revenue bonds of \$7,346,000, O.W.D.A. loans of \$37,589, long-term notes payable of \$7,455,000 and a rural industrial park loan of \$400,000.

The County received an A-3 bond rating from Moody's Investors Group. With this rating Moody's has deemed the county's financial management secure. The County will receive the best rate on interest, insurance and bond issuance costs.

In addition to the bonded debt, the County's long-term obligations include compensated absences and capital lease liabilities. Additional information on the County's long-term debt can be found in Note 17 of this report. See Note 18 for additional information regarding notes payable.

Economic Factors

The local economy is showing signs of a slow transformation. Broad economic implications locally include the stabilization and resurgence of several key industry, banking/financial, retailing and health care market leaders. Wheeling Pittsburgh Steel's emergence from bankruptcy and construction of a high quality, efficient electric arc furnace to serve new steel materials markets are positive signs of a financial turn around.

With the installation and extension of a new force main sewer system at the Interstate 70, Exit 208 intersection new businesses have emerged with the opening of a new McDonald's and a BP Stop-Go station. Other businesses have declared their intent for future expansion and new business openings at this location.

Work is continuing on expansion projects at the East Ohio Regional Hospital that will allow the hospital to provide state-of-the-art emergency care for patients. East Ohio is part of the Ohio Valley Health Services and Education, along with Ohio Valley Medical Center in Wheeling, WV. A designed three-step plan will take two or three years to complete at a total cost of \$11 million. The first step was the renovation of an existing area of the hospital to allow for the addition of 15 inpatients beds. Step two involves an overhauling of the existing emergency department, which will include enlarging several areas to accommodate both a triage room and trauma room due to the hospital's recent Level III Trauma designation. Step one and two are complete. Step three will involve the construction of a new surgical department and ground level parking that will connect to the new 15-bed unit. The 39,000 square foot surgical suite will include six operating rooms, two GI rooms, a recovery room, dedicated waiting area and an expanded sterile processing department. The hospital employs more than 600 people, making it one of the County's largest employers.

The Mayflower Vehicle Systems was awarded a Targeted Industrial Training Grant (TITG) in conjunction with Ohio University and the Boards of Regents. Through this 50/50 matching grant the firm has taken the lead in technology training for the 300 employees at its Shadyside plant and has committed to obtaining the ISO-14001 quality certification. The training program helped support the firm's eligibility to bid on ISO quality contract requirements with international automakers. Excellent performance on close tolerance and custom stamping production on existing contracts positioned the firm to win new contracts

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for Ford's new model sports coupe and Chevrolet's SSR sport vehicle. These contracts will amount to about \$5 million in new revenue for the plant.

Fox-Commerce Industrial Park is nearing the transfer of the first several lots to new tenants. This County sponsored \$2.8 million development is located along Interstate 70 and County Road 80. The 125-acre park can accommodate 18 lots in sizes from two to twenty acres. Overall, Interest by new businesses is very significant. The funding for the project is a combination of federal grants, a state loan, and Belmont County's share of \$522,125. Fox-Commerce is the second Industrial Park created in Belmont County.

Interim Health Care, Inc., franchise owners and contracted operators recently located in Bridgeport. About 150 nurse, administrator and caregiver personnel are employed with the agency.

Retail sales in the County continues to increase although at a much slower pace than in previous years.

The most recent retail openings in and around the Ohio Valley Mall and Ohio Valley Plaza are UPS Store, Posins Jewelers, Altmeyer's Bed & Bath, David's Bridal, Dollar Mania. A new BP Stop-Go and McDonald's restaurant opened at Interstate 70, exit 208 at Morristown.

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

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Joseph A. Pappano , Belmont County Auditor, 101 west Main Street, St. Clairsville, Ohio 43950.

Belmont County, Ohio
Statement of Net Assets
Primary Government and Discretely Presented Component Unit
December 31, 2003

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Belco Crafts, Inc.
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$25,154,441	\$7,892,082	\$33,046,523	\$701,892
Cash and Cash Equivalents in Segregated Accounts	16,120	20,060	36,180	0
Investments in Segregated Accounts	20,576	0	20,576	0
Accounts Receivable	10,458	387,137	397,595	361,352
Accrued Interest Receivable	107,774	49,480	157,254	0
Intergovernmental Receivable	5,389,166	632,962	6,022,128	0
Permissive Sales Taxes Receivable	2,017,209	0	2,017,209	0
Cash and Cash Equivalents with Fiscal and Escrow Agent	1,200,600	5,287	1,205,887	0
Prepaid Items	113,992	0	113,992	7,196
Materials and Supplies Inventory	445,698	174,739	620,437	61,998
Internal Balances	33,184	(33,184)	0	0
Property and Other Local Taxes Receivable	10,155,800	0	10,155,800	0
Loans Receivable	368,551	0	368,551	0
Deferred Charges	42,879	118,916	161,795	0
Investments with Fiscal and Escrow Agent	0	2,954,351	2,954,351	0
Nondepreciable Capital Assets	15,345,080	7,682,235	23,027,315	0
Depreciable Capital Assets, Net	52,461,098	24,743,548	77,204,646	241,941
Total Assets	112,882,626	44,627,613	157,510,239	1,374,379
<u>Liabilities</u>				
Accounts Payable	953,142	301,391	1,254,533	113,364
Accrued Wages and Benefits Payable	889,681	178,753	1,068,434	161,453
Contracts Payable	18,458	819,584	838,042	0
Matured Severance Payable	0	1,073	1,073	0
Intergovernmental Payable	926,460	231,281	1,157,741	0
Compensated Absences Payable	0	0	0	84,534
Accrued Interest Payable	39,027	150,013	189,040	0
Bond Anticipation Notes Payable	1,500,000	3,575,000	5,075,000	0
Matured Bonds Payable	0	10,000	10,000	0
Deferred Revenue	9,612,441	0	9,612,441	0
Refundable Deposits	0	72,673	72,673	0
Retainage Payable	0	43,423	43,423	0
Long-Term Liabilities:				
Due Within One Year	1,395,673	940,856	2,336,529	13,195
Due in More Than One Year	7,856,205	16,673,618	24,529,823	14,191
Total Liabilities	23,191,087	22,997,665	46,188,752	386,737
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	60,396,082	11,630,713	72,026,795	214,555
Restricted for:				
Replacement and Improvement	0	78,000	78,000	0
Debt Service	6,301	536,814	543,115	0
Capital Projects	2,839,672	0	2,839,672	0
Other Purposes	16,415,174	0	16,415,174	0
Unrestricted	10,034,310	9,384,421	19,418,731	773,087
Total Net Assets	\$89,691,539	\$21,629,948	\$111,321,487	\$987,642

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Activities
Primary Government and Discretely Presented Component Unit
For the Year Ended December 31, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
General Government				
Legislative and Executive	\$6,222,380	\$1,945,977	\$250,314	\$0
Judicial	2,790,146	1,304,720	277,833	0
Public Safety	8,058,561	726,654	686,704	0
Public Works	7,870,853	410,384	4,781,016	6,804
Health	10,901,109	149,818	4,453,625	0
Human Services	14,796,233	1,517,002	11,645,373	0
Economic Development and Assistance	199,171	0	0	0
Intergovernmental	1,021,276	0	0	0
Interest and Fiscal Charges	315,257	0	0	0
Total Governmental Activities	52,174,986	6,054,555	22,094,865	6,804
<u>Business-Type Activities</u>				
Park Health Center	5,664,084	5,387,200	0	0
Sanitary Sewer District 2	916,662	1,133,435	0	4,200
Water Works 3	2,563,055	2,851,790	0	48,489
Water Works 1	337,346	248,595	0	410
Sanitary Sewer District 1	316,925	245,650	0	300
Sanitary Sewer District 3A	45,666	56,554	0	0
Sanitary Sewer District 3B	23,892	23,485	0	0
Sanitary Sewer District 3C	1,370	2,072	0	0
Water Works 2	978,673	883,272	0	0
Total Business-Type Activities	10,847,673	10,832,053	0	53,399
Total Primary Government	\$63,022,659	\$16,886,608	\$22,094,865	\$60,203
<u>Component Unit</u>				
Belco Crafts Inc.	\$4,228,910	\$3,635,859	\$0	\$0

General Revenues:
Property Taxes Levied for General Purposes
Property Taxes Levied for:
 Mental Retardation
 Lodging Excise Tax
 Mental Health
 In-Home Care Levy
 Children Services
Permissive Sales Tax Levied for General Purposes
Permissive Sales Tax Levied for:
 Roads and Bridges
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Belco Crafts, Inc.
(\$4,026,089)	\$0	(\$4,026,089)	\$0
(1,207,593)	0	(1,207,593)	0
(6,645,203)	0	(6,645,203)	0
(2,672,649)	0	(2,672,649)	0
(6,297,666)	0	(6,297,666)	0
(1,633,858)	0	(1,633,858)	0
(199,171)	0	(199,171)	0
(1,021,276)	0	(1,021,276)	0
(315,257)	0	(315,257)	0
<u>(24,018,762)</u>	<u>0</u>	<u>(24,018,762)</u>	<u>0</u>
0	(276,884)	(276,884)	0
0	220,973	220,973	0
0	337,224	337,224	0
0	(88,341)	(88,341)	0
0	(70,975)	(70,975)	0
0	10,888	10,888	0
0	(407)	(407)	0
0	702	702	0
0	(95,401)	(95,401)	0
<u>0</u>	<u>37,779</u>	<u>37,779</u>	<u>0</u>
<u>(24,018,762)</u>	<u>37,779</u>	<u>(23,980,983)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(593,051)</u>
1,765,723	0	1,765,723	0
4,253,114	0	4,253,114	0
255,897	0	255,897	0
763,552	0	763,552	0
1,216,783	0	1,216,783	0
368,414	0	368,414	0
11,051,273	0	11,051,273	0
500,000	0	500,000	0
1,433,321	0	1,433,321	0
739,289	245,733	985,022	6,978
374,320	21,195	395,515	493,011
<u>22,721,686</u>	<u>266,928</u>	<u>22,988,614</u>	<u>499,989</u>
(1,297,076)	304,707	(992,369)	(93,062)
<u>90,988,615</u>	<u>21,325,241</u>	<u>112,313,856</u>	<u>1,080,704</u>
<u>\$89,691,539</u>	<u>\$21,629,948</u>	<u>\$111,321,487</u>	<u>\$987,642</u>

Belmont County, Ohio
Balance Sheet
Governmental Funds
December 31, 2003

	General	Public Assistance	Mental Retardation	Infrastructure	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$3,894,308	\$2,076,981	\$3,932,622	\$4,804,472	\$10,446,058	\$25,154,441
Cash and Cash Equivalents in Segregated Accounts	16,120	0	0	0	0	16,120
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,200,600	1,200,600
Investments in Segregated Accounts	0	0	0	0	20,576	20,576
Accounts Receivable	5,050	0	0	0	5,408	10,458
Accrued Interest Receivable	107,774	0	0	0	0	107,774
Intergovernmental Receivable	1,017,007	0	1,072,465	0	3,299,694	5,389,166
Permissive Sales Tax Receivable	2,003,661	0	0	0	13,548	2,017,209
Prepaid Items	113,992	0	0	0	0	113,992
Materials and Supplies Inventory	36,920	19,902	24,190	0	364,686	445,698
Interfund Receivable	140,915	367,270	0	0	7,360	515,545
Property and Other Local Taxes Receivable	2,099,274	0	5,208,391	0	2,848,135	10,155,800
Loans Receivable	0	0	0	0	368,551	368,551
Total Assets	\$9,435,021	\$2,464,153	\$10,237,668	\$4,804,472	\$18,574,616	\$45,515,930
Liabilities						
Accounts Payable	\$102,950	\$151,062	\$154,769	\$0	\$544,361	\$953,142
Accrued Wages and Benefits Payable	337,023	204,251	169,458	0	178,949	889,681
Contracts Payable	0	0	0	0	18,458	18,458
Intergovernmental Payable	283,244	281,557	107,504	0	254,155	926,460
Interfund Payable	7,176	0	0	0	475,185	482,361
Accrued Interest Payable	0	0	0	0	2,750	2,750
Deferred Revenue	2,973,431	535,554	5,865,603	0	5,639,756	15,014,344
Notes Payable	0	0	0	0	1,500,000	1,500,000
Total Liabilities	3,703,824	1,172,424	6,297,334	0	8,613,614	19,787,196
Fund Balances:						
Reserved for Encumbrances	1,376,485	0	349,832	0	697,827	2,424,144
Reserved for Claimants	119,797	0	0	0	0	119,797
Reserved for Loans Receivable	0	0	0	0	280,051	280,051
Unreserved:						
Designated for Budget Stabilization	1,160,000	0	0	0	0	1,160,000
Undesignated, Reported in:						
General Fund	3,074,915	0	0	0	0	3,074,915
Special Revenue Funds	0	1,291,729	3,590,502	0	7,622,719	12,504,950
Debt Service Funds	0	0	0	0	25,733	25,733
Capital Projects Funds	0	0	0	4,804,472	1,334,672	6,139,144
Total Fund Balances	5,731,197	1,291,729	3,940,334	4,804,472	9,961,002	25,728,734
Total Liabilities and Fund Balances	\$9,435,021	\$2,464,153	\$10,237,668	\$4,804,472	\$18,574,616	\$45,515,930

See accompanying notes to the basic financial statements

Belmont County, Ohio
 Reconciliation of Total Governmental Fund Balances
 to Net Assets of Governmental Activities
 December 31, 2003

Total Governmental Fund Balances \$25,728,734

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 67,806,178

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

Taxes	1,188,713
Intergovernmental	4,207,782
Charges for Services	5,408

Total 5,401,903

Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 42,879

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

General Obligation Bonds	3,855,000
Net Bond Premiums/Discounts	4,056
Refunding Gains on General Obligation Bonds	(17,150)
Compensated Absences	2,810,148
Accrued Interest Payable	36,277
Long-Term Notes Payable	1,955,000
State Rural Industrial Park Loan	400,000
Capital Leases	244,824

Total (9,288,155)

Net Assets of Governmental Activities \$89,691,539

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General	Public Assistance	Mental Retardation	Infrastructure	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Local Taxes	\$1,791,494	\$0	\$4,316,858	\$0	\$2,639,482	\$8,747,834
Permissive Sales Taxes	11,051,273	0	0	0	500,000	11,551,273
Charges for Services	2,065,518	367,270	32,499	0	1,951,260	4,416,547
Licenses and Permits	6,585	0	0	0	393,627	400,212
Fines and Forfeitures	452,628	0	0	0	605,159	1,057,787
Intergovernmental	1,114,111	9,628,181	3,725,669	0	8,523,019	22,990,980
Interest	635,288	0	0	0	110,011	745,299
Rent	7,479	0	0	0	230,593	238,072
Other	116,024	177,073	27,946	0	115,780	436,823
Total Revenues	17,240,400	10,172,524	8,102,972	0	15,068,931	50,584,827
Expenditures						
Current:						
General Government:						
Legislative and Executive	5,568,451	0	0	0	515,279	6,083,730
Judicial	2,134,173	0	0	0	654,078	2,788,251
Public Safety	5,718,903	0	0	0	1,057,487	6,776,390
Public Works	303,770	0	0	0	5,254,245	5,558,015
Health	52,768	0	7,366,457	0	2,071,717	9,490,942
Human Services	324,866	10,089,287	0	0	4,255,195	14,669,348
Economic Development and Assistance	0	0	0	0	199,388	199,388
Other	7,385	0	0	0	0	7,385
Capital Outlay	419,364	34,914	115,104	0	826,766	1,396,148
Intergovernmental	1,006,251	0	0	0	945,484	1,951,735
Debt Service:						
Principal Retirement	612,404	18,117	0	0	352,142	982,663
Interest and Fiscal Charges	22,658	3,097	0	0	279,983	305,738
Issuance Costs on Refunding Bonds	0	0	0	0	42,879	42,879
Total Expenditures	16,170,993	10,145,415	7,481,561	0	16,454,643	50,252,612
Excess of Revenues Over (Under) Expenditures	1,069,407	27,109	621,411	0	(1,385,712)	332,215
Other Financing Sources (Uses)						
Refunding Bonds Issued	0	0	0	0	1,785,000	1,785,000
Premium on Refunding Bonds	0	0	0	0	7,213	7,213
Discount on Refunding Bonds	0	0	0	0	(3,157)	(3,157)
Bond Anticipation Notes Issued	500,000	0	0	0	1,455,000	1,955,000
Sale of Assets	14,295	0	0	0	0	14,295
Payment to Refunded Bond Escrow Agent	0	0	0	0	(1,732,150)	(1,732,150)
Inception of Capital Lease	54,833	34,914	0	0	0	89,747
Transfers In	0	342,877	0	1,135,000	1,293,726	2,771,603
Transfers Out	(2,566,491)	0	0	0	(205,112)	(2,771,603)
Total Other Financing Sources (Uses)	(1,997,363)	377,791	0	1,135,000	2,600,520	2,115,948
Net Change in Fund Balances	(927,956)	404,900	621,411	1,135,000	1,214,808	2,448,163
Fund Balances at Beginning of Year - Note 3	6,659,153	886,829	3,318,923	3,669,472	8,746,194	23,280,571
Fund Balances at End of Year	\$5,731,197	\$1,291,729	\$3,940,334	\$4,804,472	\$9,961,002	\$25,728,734

See accompanying notes to the basic financial statements

Belmont County, Ohio
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Year Ended December 31, 2003

Net Change in Fund Balances - Total Governmental Funds \$2,448,163

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

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

Capital Outlay - Depreciable Capital Assets	711,856	
Depreciation	<u>(3,871,577)</u>	
Total		(3,159,721)

Capital assets removed from the capital asset account on the statement of net assets results in a loss on disposal of capital assets on the statement of activities. (89,922)

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

Property and Other Local Taxes	(124,351)	
Charges for Services	(58,063)	
Intergovernmental	<u>475,497</u>	
Total		293,083

Repayment of general obligation bonds, notes, and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds	335,000	
Long-Term Note	517,142	
Capital Leases	<u>130,521</u>	
Total		982,663

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding obligations on the statement of net assets. (9,519)

Issuance costs are reported as an expenditure when paid in governmental funds, but are allocated as an expense over the life of the outstanding debt on the statement of activities. 42,879

Bond discounts are reported as an expenditure in the governmental funds but are allocated as an expense over the life of the bonds on the statement of activities. 3,157

Bond anticipation notes issued, general obligation bonds issued and bond premiums are other financing sources in governmental funds, but the issuance increases long-term liabilities on the statement of net assets.

Bond Anticipation Notes Issued	(1,955,000)	
General Obligation Bonds Issued	(1,785,000)	
Premium on Bonds Issued	<u>(7,213)</u>	
Total		(3,747,213)

Payment to refunded bond escrow agent is an other financing use in governmental funds, but the payment reduces long-term liabilities in the statement of net assets. 1,732,150

Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long term liabilities on the statement of activities (89,747)

Some expenses reported on the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Intergovernmental Payable	712,545	
Compensated Absences Payable	<u>(415,594)</u>	
Total		<u>296,951</u>

Change in Net Assets of Governmental Activities (\$1,297,076)

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$1,850,000	\$1,742,052	\$1,783,914	\$41,862
Permissive Sales Tax	8,734,301	10,410,000	10,902,745	492,745
Charges for Services	1,501,335	1,789,370	2,077,176	287,806
Licenses and Permits	4,195	5,000	6,585	1,585
Fines and Forfeitures	419,515	500,000	436,995	(63,005)
Intergovernmental	1,151,310	1,372,192	1,177,828	(194,364)
Rent	4,195	5,000	7,479	2,479
Interest	761,923	908,100	679,549	(228,551)
Other	173,226	206,459	143,369	(63,090)
Total Revenues	14,600,000	16,938,173	17,215,640	277,467
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	7,478,354	7,977,824	7,906,194	71,630
Judicial	2,225,996	2,314,302	2,184,863	129,439
Public Safety	3,887,259	6,018,497	5,831,223	187,274
Public Works	176,861	309,989	302,367	7,622
Health	137,551	52,918	52,405	513
Human Services	275,475	353,717	337,013	16,704
Other	0	8,030	7,385	645
Capital Outlay	0	364,531	364,531	0
Intergovernmental	683,637	1,007,435	1,006,251	1,184
Debt Service:				
Principal Retirement	0	500,000	500,000	0
Interest and Fiscal Charges	0	10,998	10,998	0
Total Expenditures	14,865,133	18,918,241	18,503,230	415,011
Excess of Revenues Under Expenditures	(265,133)	(1,980,068)	(1,287,590)	692,478
<u>Other Financing Sources (Uses)</u>				
Bond Anticipation Notes Issued	0	500,000	500,000	0
Sale of Assets	0	14,295	14,295	0
Advances In	0	59,747	78,748	19,001
Advances Out	0	(85,000)	(85,000)	0
Transfers In	0	33,432	0	(33,432)
Transfers Out	(385,000)	(2,673,071)	(2,563,043)	110,028
Total Other Financing Sources (Uses)	(385,000)	(2,150,597)	(2,055,000)	95,597
Net Change in Fund Balance	(650,133)	(4,130,665)	(3,342,590)	788,075
Fund Balance at Beginning of Year	1,348,272	1,348,272	1,348,272	0
Prior Year Encumbrances Appropriated	3,154,256	3,154,256	3,154,256	0
Fund Balance at End of Year	\$3,852,395	\$371,863	\$1,159,938	\$788,075

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$11,485,296	\$10,364,863	\$10,086,789	(\$278,074)
Other	542,329	489,423	593,308	103,885
Total Revenues	12,027,625	10,854,286	10,680,097	(174,189)
<u>Expenditures:</u>				
Current:				
Human Services	12,588,084	11,959,022	10,487,494	1,471,528
Excess of Revenues Over (Under) Expenditures	(560,459)	(1,104,736)	192,603	1,297,339
<u>Other Financing Source:</u>				
Transfers In	0	342,877	342,877	0
Net Change in Fund Balance	(560,459)	(761,859)	535,480	1,297,339
Fund Balance at Beginning of Year	760,459	760,459	760,459	0
Prior Year Encumbrances Appropriated	1,400	1,400	1,400	0
Fund Balance at End of Year	<u>\$201,400</u>	<u>\$0</u>	<u>\$1,297,339</u>	<u>\$1,297,339</u>

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Mental Retardation Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property and Other Local Taxes	\$4,600,000	\$3,766,313	\$4,293,779	\$527,466
Charges for Services	12,463	32,853	32,499	(354)
Intergovernmental	981,032	2,586,016	3,870,452	1,284,436
Other	6,505	17,147	27,946	10,799
Total Revenues	5,600,000	6,402,329	8,224,676	1,822,347
<u>Expenditures:</u>				
Current:				
Health	8,051,224	8,876,094	7,904,646	971,448
Excess of Revenues Over (Under) Expenditures	(2,451,224)	(2,473,765)	320,030	2,793,795
<u>Other Financing Use:</u>				
Transfers Out	0	(505,358)	0	505,358
Net Change in Fund Balance	(2,451,224)	(2,979,123)	320,030	3,299,153
Fund Balance at Beginning of Year	2,593,223	2,593,223	2,593,223	0
Prior Year Encumbrances Appropriated	385,900	385,900	385,900	0
Fund Balance at End of Year	\$527,899	\$0	\$3,299,153	\$3,299,153

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2003

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Other Enterprise	Total Enterprise
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$269,614	\$1,645,757	\$4,115,076	\$1,456,297	\$7,486,744
Cash and Cash Equivalents in Segregated Accounts	0	0	200	19,860	20,060
Accounts Receivable	201,944	3,749	126,940	54,504	387,137
Intergovernmental Receivable	632,962	0	0	0	632,962
Accrued Interest Receivable	0	0	49,480	0	49,480
Materials and Supplies Inventory	24,555	1,814	97,904	50,466	174,739
Interfund Receivable	0	0	100,667	36,000	136,667
Restricted Assets:					
Cash and Cash Equivalents	0	0	6,593	0	6,593
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	0	5,287	0	5,287
Investment with Fiscal and Escrow Agents	0	0	340,522	10,213	350,735
Total Current Assets	1,129,075	1,651,320	4,842,669	1,627,340	9,250,404
Non-Current Assets:					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	8,795	359,583	30,367	398,745
Investment with Fiscal and Escrow Agents	0	0	1,391,739	1,211,877	2,603,616
Deferred Charges	90,049	5,927	22,940	0	118,916
Nondepreciable Capital Assets	38,880	3,342,422	4,277,722	23,211	7,682,235
Depreciable Capital Assets, Net	3,474,532	5,584,896	14,927,072	757,048	24,743,548
Total Non-Current Assets	3,603,461	8,942,040	20,979,056	2,022,503	35,547,060
Total Assets	4,732,536	10,593,360	25,821,725	3,649,843	44,797,464
Liabilities					
Current Liabilities:					
Accounts Payable	206,244	10,227	78,409	6,511	301,391
Contracts Payable	0	311,199	508,385	0	819,584
Accrued Wages and Benefits Payable	131,238	6,620	26,275	14,620	178,753
Compensated Absences Payable	61,786	5,408	21,422	7,885	96,501
Retainage Payable	0	22,280	21,143	0	43,423
Interfund Payable	35,000	0	0	134,851	169,851
Intergovernmental Payable	86,738	55,931	16,352	72,260	231,281
Accrued Interest Payable	13,325	45,287	82,054	0	140,666
Bond Anticipation Notes Payable	0	2,400,000	1,175,000	0	3,575,000
Matured Severance Payable	1,073	0	0	0	1,073
Current Portion OWDA Loan Payable	0	0	2,763	0	2,763
Current Portion Mortgage Revenue Bonds Payable	0	0	86,000	0	86,000
Current Portion General Obligation Bonds Payable	190,000	80,000	140,000	0	410,000
Current Portion Capital Leases Payable	4,592	0	0	0	4,592
Total Current Liabilities	729,996	2,936,952	2,157,803	236,127	6,060,878
Current Liabilities Payable from Restricted Assets:					
Matured Revenue Bonds Payable	0	0	10,000	0	10,000
Accrued Interest Payable	0	0	9,134	213	9,347
Current Portion of Revenue Bonds Payable	0	0	331,000	10,000	341,000
Total Current Liabilities Payable from Restricted Assets	0	0	350,134	10,213	360,347
Long-Term Liabilities (Net of Current Portion):					
Refundable Deposits	0	8,795	33,511	30,367	72,673
Compensated Absences Payable	130,804	11,594	45,933	16,905	205,236
Capital Leases Payable	10,771	0	0	0	10,771
OWDA Loans Payable	0	0	34,826	0	34,826
Bond Anticipation Notes Payable	0	3,500,000	2,000,000	0	5,500,000
Mortgage Revenue Bonds Payable	0	0	6,919,000	0	6,919,000
General Obligation Bonds Payable	3,018,385	169,392	816,008	0	4,003,785
Total Long-Term Liabilities	3,159,960	3,689,781	9,849,278	47,272	16,746,291
Total Liabilities	3,889,956	6,626,733	12,357,215	293,612	23,167,516
Net Assets					
Invested in Capital Assets, Net of Related Debt	379,713	2,780,845	7,699,896	770,259	11,630,713
Restricted for:					
Debt Service	0	0	536,814	0	536,814
Replacement and Improvement	0	0	40,000	38,000	78,000
Unrestricted	462,867	1,185,782	5,187,800	2,547,972	9,384,421
Total Net Assets	\$842,580	\$3,966,627	\$13,464,510	\$3,356,231	\$21,629,948

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2003

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Other Enterprise	Total Enterprise
<u>Operating Revenues:</u>					
Charges for Services	\$5,387,200	\$1,133,435	\$0	\$1,213,978	\$7,734,613
Charges for Services - Mortgage Revenue Debt	0	0	2,851,790	245,650	3,097,440
Other	0	962	7,539	1,639	10,140
Total Operating Revenues	5,387,200	1,134,397	2,859,329	1,461,267	10,842,193
<u>Operating Expenses:</u>					
Personal Services	3,750,625	224,333	725,702	350,921	5,051,581
Contractual Services	1,080,710	363,379	509,728	1,220,771	3,174,588
Materials and Supplies	470,825	25,540	225,811	72,234	794,410
Other	43,830	10,340	13,753	12,323	80,246
Depreciation	121,406	176,654	586,948	44,273	929,281
Total Operating Expenses	5,467,396	800,246	2,061,942	1,700,522	10,030,106
Operating Income (Loss)	(80,196)	334,151	797,387	(239,255)	812,087
<u>Non-Operating Revenues (Expenses):</u>					
Interest	0	38,022	177,294	30,417	245,733
Interest and Fiscal Charges	(190,405)	(116,416)	(501,113)	(3,350)	(811,284)
Issuance Costs	(6,283)	0	0	0	(6,283)
Other Non-Operating Revenues	11,055	0	0	0	11,055
Total Non-Operating Revenues (Expenses)	(185,633)	(78,394)	(323,819)	27,067	(560,779)
Income (Loss) Before Contributions and Transfers	(265,829)	255,757	473,568	(212,188)	251,308
Capital Contributions	0	4,200	48,489	710	53,399
Transfers In	0	22,000	0	31,765	53,765
Transfers Out	0	(31,765)	0	(22,000)	(53,765)
Change in Net Assets	(265,829)	250,192	522,057	(201,713)	304,707
Net Assets Beginning of Year - Restated (Note 3)	1,108,409	3,716,435	12,942,453	3,557,944	21,325,241
Net Assets End of Year	\$842,580	\$3,966,627	\$13,464,510	\$3,356,231	\$21,629,948

See accompanying notes to the basic financial statements

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Belmont County, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2003

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Other Enterprise	Total Enterprise
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities:					
Cash Received from Customers	\$5,429,342	\$1,151,180	\$2,878,967	\$1,445,949	\$10,905,438
Cash Payments for Employee Services and Benefits	(3,745,824)	(222,488)	(719,675)	(354,453)	(5,042,440)
Cash Payments for Goods and Services	(451,050)	(25,525)	(232,833)	(77,957)	(787,365)
Cash Payments for Contractual Services	(1,001,455)	(314,270)	(487,299)	(1,213,301)	(3,016,325)
Utility Deposits Received	0	1,310	6,396	5,864	13,570
Utility Deposits Paid	0	(867)	(6,305)	(5,697)	(12,869)
Other Operating Revenues	0	962	7,539	1,639	10,140
Other Operating Expenses	(43,830)	(10,340)	(13,753)	(12,323)	(80,246)
Other Non-Operating Revenues	11,055	0	0	0	11,055
Net Cash Provided by (Used for) Operating Activities	198,238	579,962	1,433,037	(210,279)	2,000,958
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In	0	0	0	1,573	1,573
Transfers Out	0	(1,573)	0	0	(1,573)
Advance In	35,000	0	0	0	35,000
Net Cash Provided by (Used for) Noncapital Activities	35,000	(1,573)	0	1,573	35,000
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Payments for Capital Acquisitions	0	(440,648)	(1,461,438)	0	(1,902,086)
Tap-In Fees	0	4,200	48,489	710	53,399
Proceeds of Notes Issued	0	5,900,000	3,175,000	0	9,075,000
Principal Paid on Notes	0	(6,100,000)	(2,195,000)	0	(8,295,000)
Interest Paid on Notes	0	(122,709)	(50,258)	0	(172,967)
Proceeds of Bonds Issued	0	250,000	960,000	0	1,210,000
Premium on Bonds Issued	0	1,792	5,258	0	7,050
Payment to Refunded Bond Escrow Agent	0	(242,400)	(934,250)	0	(1,176,650)
Bond Issuance Costs	0	(3,343)	(12,985)	0	(16,328)
Principal Paid on Mortgage Revenue Bonds	0	0	(100,000)	(35,000)	(135,000)
Interest Paid on Mortgage Revenue Bonds	0	0	(368,628)	(1,909)	(370,537)
Principal Paid on General Obligation Bonds	(185,000)	(65,565)	(130,000)	(9,435)	(390,000)
Interest Paid on General Obligation Bonds	(166,210)	(19,887)	(51,898)	(1,866)	(239,861)
Principal Paid on OWDA Loan	0	0	(2,551)	0	(2,551)
Interest Paid on OWDA Loan	0	0	(3,070)	0	(3,070)
Principal Paid on Capital Leases	(4,368)	0	0	0	(4,368)
Interest Paid on Capital Leases	(887)	0	0	0	(887)
Net Cash Used for Capital and Related Financing Activities	(356,465)	(838,560)	(1,121,331)	(47,500)	(2,363,856)
<u>Cash Flows from Investing Activities:</u>					
Purchase of Investments	0	0	(1,732,261)	(1,222,090)	(2,954,351)
Sale of Investments	0	0	1,749,200	1,258,999	3,008,199
Interest on Investments	0	38,022	91,217	6,494	135,733
Net Cash Provided by Investing Activities	0	38,022	108,156	43,403	189,581
Net Increase (Decrease) in Cash and Cash Equivalents	(123,227)	(222,149)	419,862	(212,803)	(138,317)
Cash and Cash Equivalents Beginning of Year	392,841	1,876,701	4,066,877	1,719,327	8,055,746
Cash and Cash Equivalents End of Year	\$269,614	\$1,654,552	\$4,486,739	\$1,506,524	\$7,917,429

(Continued)

Belmont County, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2003
(Continued)

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Other Enterprise	Total Enterprise
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	(\$80,196)	\$334,151	\$797,387	(\$239,255)	\$812,087
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	121,406	176,654	586,948	44,273	929,281
Other Non-Operating Revenue	11,055	0	0	0	11,055
<u>Changes in Assets and Liabilities:</u>					
(Increase) Decrease in Accounts Receivable	443,507	17,745	16,742	(18,746)	459,248
Increase in Intergovernmental Receivable	(401,365)	0	0	0	(401,365)
(Increase) Decrease in Materials and Supplies Inventory	215	15	(6,867)	(3,853)	(10,490)
Decrease in Interfund Receivable	0	0	10,435	5,067	15,502
Increase in Accrued Wages and Benefits Payable	10,934	833	3,041	1,731	16,539
Increase (Decrease) in Accounts Payable	104,137	(1,916)	29,440	1,480	133,141
Increase in Compensated Absences Payable	35,843	3,327	8,346	2,174	49,690
Increase (Decrease) in Intergovernmental Payable	(39,703)	48,710	(6,037)	(462)	2,508
Decrease in Matured Severance Payable	(7,595)	0	0	0	(7,595)
Decrease in Interfund Payable	0	0	(6,489)	(2,855)	(9,344)
Increase in Refundable Deposits Payable	0	443	91	167	701
Total Adjustments	278,434	245,811	635,650	28,976	1,188,871
Net Cash Provided by (Used for) Operating Activities	<u>\$198,238</u>	<u>\$579,962</u>	<u>\$1,433,037</u>	<u>(\$210,279)</u>	<u>\$2,000,958</u>

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2003

Assets:

Equity in Pooled Cash and Cash Equivalents	\$5,843,067
Cash and Cash Equivalents in Segregated Accounts	593,999
Property Taxes Receivable	44,920,511
Accounts Receivable	1,768,917
Intergovernmental Receivable	<u>4,520,903</u>
Total Assets	<u><u>\$57,647,397</u></u>

Liabilities:

Due To Others	\$845,353
Intergovernmental Payable	50,548,571
Undistributed Assets	<u>6,253,473</u>
Total Liabilities	<u><u>\$57,647,397</u></u>

See accompanying notes to the basic financial statements

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

Belmont County, Ohio (The County), was created September 7, 1801, by Governor Arthur St. Clair. The ninth county formed in the Northwest Territory, the County is comprised of sixteen townships, six fire districts, two cities, and fourteen villages, with three of these villages overlapping into other counties. The County is governed by a board of three commissioners elected by the voters. Other elected officials that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, three Common Pleas Court Judges, and three County Court Judges.

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

A. Reporting Entity:

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Belmont County, this includes the Board of Mental Retardation and Developmental Disabilities, the Belmont County Water and Sewer Districts, and all departments and activities that are directly operated by the elected County officials.

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

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

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

The following potential component units have been excluded from the County's financial statements:

Belmont County Agricultural Society
Belmont County Educational Service Center
Belmont County Memorial Park Cemetery
Belmont County Sewer Authority
Belmont-Harrison Joint Vocational School
Belmont Technical College
Belmont County Law Library

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

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

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

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

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

Belmont-Harrison Juvenile District (District)

The Belmont-Harrison Juvenile District was organized in 1972 to provide services to the juvenile courts of Belmont and Harrison counties. The legislative authority for creation of the District can be found in Section 2151.34 of the Ohio Revised Code. The function of the District is to provide detention and rehabilitation for juvenile offenders. District offices are located at Sargus Juvenile Center in St. Clairsville, Ohio, which serves as the hub for all program components. A joint board, comprised of Belmont County Commissioners and Harrison County Commissioners, is responsible for payment of expenditures and the appointment of trustees upon recommendation and approval of the juvenile judge of that county where such person is a resident. The Board of Trustees oversees and sets rules and regulations for the operation of the District programs. They also appoint the Director of the District, who, in turn, appoints all employees and controls, manages, operates, and has general charge of the District's programs. The board of county commissioners of either county within the District may withdraw from the District upon the recommendation of the juvenile court of such county. The continued existence of the District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the District is presented as an agency fund. Additional information on the joint venture is presented in Note 20.

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

Belmont, Harrison, and Monroe Counties Cluster
Bel-O-Mar Regional Council
Mental Health Recovery Board
Southeast Ohio Juvenile Rehabilitation District (SOJRD)
Area Office on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Jefferson-Belmont Joint Solid Waste Authority
South Eastern Narcotics Team (SENT)
Belmont County Family and Children First Council
East Ohio Correctional Facility
Buckeye Hills Resource Conservation and Development Council (RC&D)
Belmont-Jefferson Workforce Policy Board

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

Belmont Metropolitan Housing Authority
Belmont Park District

The County is associated with the following organizations which are public entity pools. Additional information concerning the pools is presented in Note 23.

County Risk Sharing Authority (CORSA)
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods

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

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

B. Fund Accounting

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

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

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

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

Mental Retardation Fund To account for revenue from tax levies, and federal, state and local monies used for providing services to the mentally retarded citizens of the County.

Infrastructure Fund To account for transfers from the general fund to be used for acquisition, construction, or improvement of capital assets.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows.

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

Park Health Center Fund To account for revenues derived from resident fees and bond anticipation notes. The revenue is used for the operation of the Park Health Center facility. The County maintains the Park Health Center Bond Retirement debt service fund for the accumulation of resources to retire the debt related to the Park Health Center. The Park Health Center Bond Retirement fund was combined with the Park Health Center enterprise fund for GAAP reporting purposes.

Sanitary Sewer District 2 Fund To account for user charges from the sanitary sewer service east of St. Clairsville following United States Route 40 to Blaine. The district has its

own rate structure and contracts with the City of Bellaire for sewage treatment. Revenue is used for operating expenses and to pay general obligation bonds and note debt. The Sanitary Sewer District 2 Bond Retirement fund was combined with the Sanitary Sewer District 2 enterprise fund for GAAP reporting purposes.

Water Works 3 Fund To account for user charges from the distribution of treated water west of Bellaire and any area not included in Water Works District 2. The district has its own facilities. Revenue is used for operating expenses and to pay general obligation bonds, mortgage revenue bonds, note indebtedness, and an Ohio Water Development Authority loan. The County maintains the Water Works 3 Bond Retirement debt service fund for the accumulation of resources to retire the debt related to the Water Works 3 district. The Water Works 3 Bond Retirement fund was combined with the Water Works 3 District enterprise fund for GAAP reporting purposes.

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

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the

budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2003.

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

F. Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2003, investments were limited to STAR Ohio, treasury notes, repurchase agreements, and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. The County has invested funds in the State Treasurer's Asset Reserve of Ohio (STAR Ohio) during year 2003. 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, 2003. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the pool and investments with original maturities of three months or less are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Under existing Ohio statutes, all investment earnings accrue to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2003 amounted to \$635,288, which includes \$574,487 assigned from other funds.

G. Restricted Assets

Certain resources set aside for the repayment of enterprise fund mortgage revenue bonds are classified as restricted assets on the Statement of Fund Net Assets – Enterprise Funds because their use is limited by applicable bond covenants. The "revenue bond replacement and improvement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. Restricted assets of the County also include customer deposits.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Capital Assets

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

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars, with the exception of infrastructure which is capitalized at \$10,000 and the 911 fund which capitalizes assets at \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 Years
Machinery and Equipment	3-20 Years
Infrastructure	15-50 Years
Vehicles	5 Years

K. Interfund Balances

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

L. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees with fifteen or more years of service for all departments with the exception of the Park Health Center, the Sheriff's Office, the Engineers Office, 911 department and Jobs and Family Services department which record the sick leave liability for employees with ten or more years of service.

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

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

M. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability in the governmental fund financial statements when due. The unmatured portion of these obligations should be reported as general long-term liabilities segregated between amounts due in one year and amounts due in more than one year.

N. Bond Premiums, Discounts, Gains/Losses and Issuance Costs

Bond issuance costs, bond premium and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

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

The Gain/Loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

O. Fund Balance Reserves

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for 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, loans receivable and claimants for unclaimed monies. Reservation for claimants is established because by law unclaimed monies are not available for appropriation until five years have elapsed.

P. Fund Balance Designations

The County has fund balance designations on the balance sheet in the General fund that represents money set-aside by the County Commissioners for budget stabilization.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The restrictions for other purposes are primarily for net assets of the Other Special Revenue, Mental Retardation, Public Assistance, Motor Vehicle and Gasoline Tax, In-Home Care Levy and the Commissioners CDBG special revenue funds.

Net assets restricted for debt service in the business-type activities consist of bond premiums for the Water and Sewer Enterprise Funds and amounts restricted for bond indenture covenants. Due to Ohio law, bond premiums are restricted for the payment of future debt obligations.

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

R. Operating Revenues and Expenses

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

S. Capital Contributions

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

T. Interfund Activity

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

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

U. Extraordinary and Special Items

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

V. Estimates

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

NOTE 3 – CHANGES IN FUND BALANCE/RETAINED EARNINGS AND ACCOUNTING PRINCIPALS

Changes in Accounting Principles For the year ended December 31, 2003, the County has implemented GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB No. 38, "Certain Financial Statement Note Disclosures," GASB Statement No. 41, "Budgetary Comparison Schedules – Perspective Differences," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements." At December 31, 2003, there was no effect on fund balances as a result of implementing GASB Statements 37, 38 and 41.

GASB Statement No. 34 creates new basic financial statements for reporting the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

GASB Statement No. 41 allows presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective difference result in the County not being able to present budgetary comparisons for the general and each major special revenue fund.

Restatement of Fund Balances The fund classification was updated during 2003 to combine the JTPA fund with the Public Assistance fund, to reclassify the county home special fund, previously reported as an expendable trust fund, as a special revenue fund and the Oakview Juvenile Rehabilitation Center Construction fund, previously reported as a capital projects fund, as an agency fund. There were also restatements of fund equity for corrections of prior year accrual balances, and the allocation of agency fund cash associated with County activities. In addition, there was a cash restatement for unreported cash that was incorrectly reported in the General fund and needed to be reflected in the Public Assistance fund, Other Special Revenue fund and agency funds. These restatements and the implementation of Interpretation No. 6 had the following effect on fund balance of the major and nonmajor funds of the County as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

	General	Public Assistance	Mental Retardation	Infrastructure	Nonmajor Funds	Totals
Fund Balances						
December 31, 2002	\$7,588,776	\$96,555	\$3,182,104	\$3,669,472	\$8,763,105	\$23,300,012
Fund Reclassifications:						
JTPA	0	(3,501)	0	0	3,501	0
County Home Special	0	0	0	0	23,935	23,935
Oakview Juvenile Rehabilitation Center Construction	0	0	0	0	(201,590)	(201,590)
Interpretation 6:						
Compensated Absences	35,457	51,648	25,969	0	30,512	143,586
Restatement of Unreported Cash	(1,001,491)	742,127	0	0	55,440	(203,924)
Agency Fund Cash Allocation	36,411	0	110,850	0	71,291	218,552
Restated Fund Balances						
December 31, 2002	<u>\$6,659,153</u>	<u>\$886,829</u>	<u>\$3,318,923</u>	<u>\$3,669,472</u>	<u>\$8,746,194</u>	<u>\$23,280,571</u>

GASB 34 Adjustments:

Capital Assets	71,055,821
Long-Term Liabilities	(5,322,740)
Accrued Interest Payable	(26,758)
Intergovernmental Payable	(712,545)
Deferred Revenue	5,108,820
Compensated Absences	<u>(2,394,554)</u>

Governmental Activities Net Assets, December 31, 2002

\$90,988,615

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

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Nonmajor Funds	Totals
Fund Equity, December 31, 2002	\$946,030	\$3,133,934	\$12,497,822	\$3,612,001	\$20,189,787
Fund Reclassification:					
Sanitary Sewer 2B	0	60,426	0	(60,426)	0
Restatement:					
Matured Severance	(8,668)	0	0	0	(8,668)
Accrued Interest Payable	(13,851)	(1,080)	(4,322)	0	(19,253)
Capital Asset Adjustments	184,898	523,155	448,953	6,369	1,163,375
Business-Type Activities					
Net Assets December 31, 2002	<u>\$1,108,409</u>	<u>\$3,716,435</u>	<u>\$12,942,453</u>	<u>\$3,557,944</u>	<u>\$21,325,241</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Public Assistance	Mental Retardation
GAAP Basis	(\$927,956)	\$404,900	\$621,411
Net Adjustments for			
Revenue Accruals	21,413	510,174	144,783
Net Adjustments for			
Expenditure Accruals	274,975	(342,079)	76,455
Unrecorded Cash	(101,006)	(37,515)	(23,079)
Transfers	3,448	0	0
Advances In	78,748	0	0
Advances Out	(85,000)	0	0
Encumbrances	(2,607,212)	0	(499,540)
Budget Basis	(\$3,342,590)	\$535,480	\$320,030

NOTE 5 - ACCOUNTABILITY

The following fund had a deficit fund balance as of December 31, 2003:

	<u>Deficit Fund Balance</u>
<u>Capital Projects Funds:</u>	
Satellite Building Construction	\$393,729

The deficit in the Satellite Building Construction capital projects fund is due to the recognition of a bond anticipation note payable in accordance with generally accepted accounting principles. The deficit will be alleviated when the bonds are issued or when the notes are paid.

NOTE 6 - DEPOSITS AND INVESTMENTS

Moneys held by the County are classified by State Statute into two categories. Active monies means an amount of public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Moneys held by the County which are not considered active are classified as inactive. Legislation permits inactive monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and,
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At year-end, the County had \$706,176 in undeposited cash on hand which is included on the Balance Sheet of the County as part of "Cash and Cash Equivalents".

Deposits At year-end, the carrying amount of the County's deposits was \$19,901,619, and the bank balance was \$36,672,055. Of the bank balance, \$1,443,072 was covered by federal depository insurance, and \$35,228,983 was collateralized by securities held by the pledging financial institutions' trust department in the County's name and all State statutory requirements for the deposit of money had been followed.

Investments GASB Statement No. 3 entitled "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements" requires the County investments to be categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category 2	Unclassified	Carrying/Fair Value
STAR Ohio	\$0	\$4,985,437	\$4,985,437
Repurchase Agreement	15,153,000	0	15,153,000
U.S. Treasury Notes	2,954,351	0	2,954,351
Total	<u>\$18,107,351</u>	<u>\$4,985,437</u>	<u>\$23,092,788</u>

The treasury notes have maturity dates in January 2004.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting". Reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$40,725,656	\$2,974,927
Undeposited Cash	(706,176)	0
Investments:		
Repurchase Agreement	(15,153,000)	15,153,000
Certificates of Deposit		
with a maturity of more than 90 days	20,576	(20,576)
STAR Ohio	(4,985,437)	4,985,437
GASB Statement 3	<u>\$19,901,619</u>	<u>\$23,092,788</u>

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2003 for real and public utility property taxes represents collections of 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by the State Law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for machinery and equipment, and 23 percent for inventory.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

The full tax rate for all County operations for the year ended December 31, 2003, was 13.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$776,709,180
Public Utility Personal Property	99,906,349
Tangible Personal Property	<u>70,943,740</u>
Total Assessed Property Value	<u><u>\$947,559,269</u></u>

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

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

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the general fund, mental retardation fund, children services fund, mental health fund, and the in-home levy fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE TAX

On April 10, 1985, the County Commissioners adopted a resolution which imposed a one half of one percent permissive sales tax as set forth in Section 5739.021 of the Ohio Revised Code. The tax became effective May 1, 1985, and was renewed on June 18, 1990. The revenues generated from this sales tax are used for the purpose of providing additional revenue for the County and paying the costs of administration of the levy.

On October 10, 1990, the County Commissioners imposed a one half of one percent increase in the permissive sales tax (Piggy Back Tax) in Belmont County. Then on November 8, 1994, the residents of Belmont County passed a one half of one percent increase in the permissive sales tax to fund a 911 emergency telephone system for the County, increasing the current rate to one and one half percent upon every retail sale made in Belmont County, except sales of motor vehicles, titled water craft and outboard motors. On December 31, 1999, the one half of one percent increase in the permissive tax to fund the 911 emergency telephone system expired. On October 28, 1999 the County commissioners enacted a one half of one percent to fund infrastructure for the County which is part of the General fund excluding \$500,000 used to fund road and bridge costs which is recorded in the Road and Bridge special revenue fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the General Fund and the Road and Bridge special revenue fund.

NOTE 9 RECEIVABLES

Receivables at December 31, 2003, consisted of taxes, interest, loans, accounts (which include billed and unbilled charged services), and intergovernmental receivables arising from grants, entitlements, and shared revenues. Management believes all receivables are fully collectible. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Loans receivable represent low interest loans for development projects granted to eligible County businesses under the Federal Community Development Block Grant program. The loans have an annual interest rate of 3% to 6% and are to be repaid over periods ranging from five to fifteen years. Principal, in the amount of \$89,830, was repaid during 2003. Loans outstanding at December 31, 2003, were \$368,551. Loans receivable, in the amount of \$280,051, will not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	Amount
Local Government Funding	\$306,166
Indigent Fee Reimbursement	94,623
Homestead/ Rollback and SB 3 Reimbursement	817,037
Motor Vehicle License and Gas Tax	1,940,069
CDBG Grant Funds	846,013
Oakview Juvenile Rehab Center Recievable	500,000
Other Special Revenue Fund Grants	6,527
Law Enforcement Fund Grants	119,972
Motor Vehicle License and Gas Tax Fund Grants	98,193
MRDD Fund Grants	660,566
Total	\$5,389,166

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

NOTE 10- CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Governmental Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$2,248,635	\$0	\$0	\$2,248,635
Land Improvements	13,096,445	0	0	13,096,445
Total Non Depreciable Capital Assets	<u>15,345,080</u>	<u>0</u>	<u>0</u>	<u>15,345,080</u>
Depreciable Capital Assets:				
Buildings and Improvements	27,387,847	58,900	0	27,446,747
Furniture, Fixtures, Machinery and Equipment	10,015,590	104,697	(152,231)	9,968,056
Infrastructure	42,561,303	263,886	0	42,825,189
Vehicles	4,954,067	284,373	(437,923)	4,800,517
Total Depreciable Capital Assets	<u>84,918,807</u>	<u>711,856</u>	<u>(590,154)</u>	<u>85,040,509</u>
Accumulated Depreciation:				
Buildings and Improvements	(6,789,249)	(642,640)	0	(7,431,889)
Furniture, Fixtures, Machinery and Equipment	(4,695,752)	(959,113)	135,198	(5,519,667)
Infrastructure	(14,486,873)	(1,779,877)	0	(16,266,750)
Vehicles	(3,236,192)	(489,947)	365,034	(3,361,105)
Total Accumulated Depreciation	<u>(29,208,066)</u>	<u>(3,871,577)</u>	<u>500,232</u>	<u>(32,579,411)</u>
Total Depreciable Capital Assets, Net	<u>55,710,741</u>	<u>(3,159,721)</u>	<u>(89,922)</u>	<u>52,461,098</u>
Governmental Capital Assets, Net	<u>\$71,055,821</u>	<u>(\$3,159,721)</u>	<u>(\$89,922)</u>	<u>\$67,806,178</u>

*Depreciation expense was charged to governmental activities as follows:

<u>Governmental Activities:</u>	
General Government:	
Legislative and Executive	\$173,457
Judicial	63,811
Public Safety	1,041,131
Public Works	2,057,081
Health	378,752
Human Services	157,345
Total Depreciation Expense	<u>\$3,871,577</u>

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

	Balance 12/31/2002	Additions	Reductions	Balance 12/31/2003
<u>Business-Type Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$117,249	\$0	\$0	\$117,249
Construction in Progress	4,812,432	2,752,554	0	7,564,986
Total Non Depreciable Capital Assets	<u>4,929,681</u>	<u>2,752,554</u>	<u>0</u>	<u>7,682,235</u>
Depreciable Capital Assets:				
Buildings and Improvements	17,027,822	0	0	17,027,822
Furniture, Fixtures, Machinery and Equipment	813,424	0	0	813,424
Infrastructure	23,063,038	0	0	23,063,038
Vehicles	510,082	0	(15,504)	494,578
Total Depreciable Capital Assets	<u>41,414,366</u>	<u>0</u>	<u>(15,504)</u>	<u>41,398,862</u>
Accumulated Depreciation:				
Buildings and Improvements	(4,457,257)	(395,929)	0	(4,853,186)
Furniture, Fixtures, Machinery and Equipment	(299,140)	(49,534)	0	(348,674)
Infrastructure	(10,685,323)	(457,314)	0	(11,142,637)
Vehicles	(299,817)	(26,504)	15,504	(310,817)
Total Accumulated Depreciation	<u>(15,741,537)</u>	<u>(929,281)</u>	<u>15,504</u>	<u>(16,655,314)</u>
Total Depreciable Capital Assets, Net	<u>25,672,829</u>	<u>(929,281)</u>	<u>0</u>	<u>24,743,548</u>
Business-Type Capital Assets, Net	<u>\$30,602,510</u>	<u>\$1,823,273</u>	<u>\$0</u>	<u>\$32,425,783</u>

*Depreciation expense was charged to business-type activities as follows:

<u>Business-Type Activities:</u>	
Park Health Center	\$121,406
Sanitary Sewer District 2	176,654
Water Works 3	586,948
Water Works 1	2,720
Sanitary Sewer District 1	2,988
Sanitary Sewer District 3A	6,984
Sanitary Sewer District 3B	9,740
Sanitary Sewer District 3C	1,370
Water Works 2	20,471
Total Depreciation Expense	<u>\$929,281</u>

NOTE 11 - RISK MANAGEMENT

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

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

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

Liability:		
General	\$1,000,000	Each Occurrence
Law Enforcement	1,000,000	Each Occurrence
Auto	1,000,000	Each Occurrence
Errors and Omissions	1,000,000	Each Occurrence
Stop Gap	1,000,000	
Medical Professional	6,000,000	
Excess	5,000,000	
Property:		
Property	102,095,525	Replacement Cost Value
Equipment Breakdown	100,000,000	Replacement Cost Value
Crime	1,000,000	
Newly Acquired Location	5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	100,000	Each Occurrence
Extra Expense Business		
Interruption	1,000,000	Each Occurrence
Flood Damage	100,000,000	Each Occurrence
Earthquake Damage	100,000,000	Each Occurrence
Debris Removal	1,000,000	Each Occurrence
Valuable Papers	1,000,000	Each Occurrence
Unintentional Omissions	250,000	Each Occurrence
Auto Physical Damage	Actual Cash Value	
Crime:		
Employee Dishonesty	\$1,000,000	Each Occurrence
Money and Securities	\$1,000,000	Each Occurrence
Depositor's Forgery	\$1,000,000	Each Occurrence
Money Orders and Counterfeit	\$1,000,000	Each Occurrence

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

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

With the exception of workers' compensation, all insurance is held with CORSA. The County pays all elected official bonds by statute.

The County participates in the workers' compensation program provided by the state of Ohio. For 2003, the

County participated in the County Commissioners Association of Ohio Worker's Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 23). The Plan is intended to achieve lower worker's compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. A savings of 20 percent was realized on the annual premium costs. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$3,325,507, \$3,289,075, and \$2,198,775 respectively; 86.4 percent has been contributed for 2003 and 100 percent for 2002 and 2001.

Contributions to the member-directed plan for 2003 were \$6,369 made by the County and \$4,012 made by the plan members.

B. State Teachers Retirement System (STRS):

Certified teachers employed by the school for the Board of Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the DB Plan for the years ended December 31, 2003, 2002, and 2001 were \$57,765, \$39,471, and \$39,793 respectively; 97 percent has been contributed for year 2003, and 100 percent for years 2002 and 2001. No contributions were made to the DC and Combined Plans for fiscal year 2003 by the County and plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose social security or the appropriate state system. The County's liability is 6.2 percent of wages paid. As of December 31, 2003, one employee has elected social security.

NOTE 13 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS):

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 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 annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$1,161,489. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

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

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

B. State Teachers Retirement System (STRS):

The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. The system is funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. The STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$28,210 for year 2003.

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

NOTE 14 - OTHER EMPLOYER BENEFITS

A. Compensated Absences:

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

B. Medical and Life Insurance

The County contracts annually with The Health Plan, Incorporated, Health Assurance HMO, and Health Assurance PPO for employee health insurance. The County and most employees share in the cost of the monthly premiums paid to each carrier. The County also pays the premiums for employee life insurance which is contracted through Medical Life Insurance. The Board of Mental Retardation and Developmental Disabilities employees are provided life insurance through J.W. Didion.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copying equipment, office equipment, and vehicles. During 2003, the County entered into five additional capital leases for copiers. 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 on the statement of revenues, expenditures, and changes in fund balance for the governmental funds and as a reduction of the liability in the enterprise funds.

Equipment acquired by lease has been capitalized in the government wide statements governmental activities in the amount of \$541,902, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government wide statements governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$306,934. Principal payments towards capital leases during 2003 totaled \$130,521 for governmental activities and \$4,368 for business activities. Business-Type capitalized leased assets are reflected net of accumulated depreciation in the amount of \$14,854 in the Park Health Center Fund.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

Future minimum lease payments through 2007 are as follows:

Year	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2003	\$117,901	\$12,395	\$4,592	\$664
2004	50,860	6,421	4,827	429
2005	34,867	3,670	5,074	182
2006	26,543	1,780	870	6
2007	14,653	413	0	0
Total	<u>\$244,824</u>	<u>\$24,679</u>	<u>\$15,363</u>	<u>\$1,281</u>

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2003 the County had the following contractual purchase commitments.

Project	Fund	Purchase Commitment	Paid as of 12/31/03	Remaining on Contracts
Waterline Main	Water Works 3 Construction	\$4,227,516	\$3,707,943	\$519,573
Force Main, Barkcamp	Sanitary Sewer 2 Construction	3,337,470	3,006,575	330,895

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

NOTE 17 - LONG-TERM LIABILITIES

Changes in the County's long-term liabilities during 2003 consist of the following:

	Outstanding 12/31/2002	Additions	Reductions	Outstanding 12/31/2003	Amounts Due Within One Year
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
<u>Various Purpose/Refunding - 1993 \$6,535,000</u>					
County Building Refunding - \$1,565,000 Serial/Term @ 2.75%-4.90%	\$575,000	\$0	\$575,000	0	\$0
County Jail Additional - \$2,090,000 Serial/Term @ 2.75%-5.20%	1,370,000	0	1,370,000	0	0
<u>Various Purpose/Refunding - 2003 \$2,995,000</u>					
County Building Refunding - \$460,000 Serial/Term @ 2.00%	0	460,000	0	460,000	150,000
Premium - \$3,279	0	3,279	0	3,279	0
Refunding Gain - \$4,400	0	(4,400)	0	(4,400)	0
County Jail Additional - \$1,325,000 Serial/Term @ 2.00%-3.50%	0	1,325,000	0	1,325,000	105,000
"Net" Premium/Discount - \$777	0	777	0	777	0
Refunding Gain - \$12,750	0	(12,750)	0	(12,750)	0
<u>County Jail - 1996 \$2,725,000</u>					
Serial/Term @ 4.0%-5.85%	2,175,000	0	105,000	2,070,000	115,000
Total General Obligation Bonds	<u>4,120,000</u>	<u>1,771,906</u>	<u>2,050,000</u>	<u>3,841,906</u>	<u>370,000</u>
<u>Long Term Notes Payable</u>					
Northern Court Computer Improvement 1998, \$94,249 @ 4.30%	17,142	0	17,142	0	0
Northern Division Court Computer Improvement 2003, \$60,000 @ 1.40%	0	60,000	0	60,000	0
Common Pleas Court Computer 2003, \$115,000 @ 1.47%	0	115,000	0	115,000	0
County Engineer Buildings 2003, \$1,280,000 @ 1.47%	0	1,280,000	0	1,280,000	0
Juvenile Detention Facility 2003, \$500,000 @ 1.40%	500,000	500,000	500,000	500,000	0
Total Long Term Notes Payable	<u>517,142</u>	<u>1,955,000</u>	<u>517,142</u>	<u>1,955,000</u>	<u>0</u>
<u>Rural Industrial Park Loan</u>					
Fox Commerce Park - 2000, \$400,000 @0.0%-4.0%	400,000	0	0	400,000	12,500
<u>Capital Leases</u>					
	285,598	89,747	130,521	244,824	117,901
<u>Compensated Absences</u>					
	<u>2,394,554</u>	<u>1,425,887</u>	<u>1,010,293</u>	<u>2,810,148</u>	<u>895,272</u>
Total Governmental Activities	<u>\$7,717,294</u>	<u>\$5,242,540</u>	<u>\$3,707,956</u>	<u>\$9,251,878</u>	<u>\$1,395,673</u>

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

	Outstanding 12/31/2002	Additions	Reductions	Outstanding 12/31/2003	Amounts Due Within One Year
Business-Type Activities					
General Obligation Bonds					
Park Health Center Refunding, 1999 \$4,405,000					
Serial/Term @ 3.15%-4.80%	\$3,735,000	\$0	\$185,000	\$3,550,000	\$190,000
Refunding Gain - \$452,840	(365,449)	0	(23,834)	(341,615)	0
Various Purpose/Refunding, 1993 \$6,535,000					
Sanitary Sewer 2 - \$751,812					
Serial/Term @ 2.75%-4.90%	275,373	0	275,373	0	0
Sanitary Sewer 3B - \$108,188					
Serial/Term @ 2.75%-4.90%	39,627	0	39,627	0	0
Waterworks 3 - \$2,020,000					
Serial/Term @ 2.75%-5.15%	1,055,000	0	1,055,000	0	0
Various Purpose/Refunding, 2003 \$2,995,000					
Sanitary Sewer 2 - \$250,000					
Serial @ 2.00	0	250,000	0	250,000	80,000
"Net" Premium/Discount - \$1,792	0	1,792	0	1,792	0
Refunding Gain - \$2,400	0	(2,400)	0	(2,400)	0
Waterworks 3 - \$960,000					
Serial @ 2.00%-2.75%	0	960,000	0	960,000	140,000
"Net" Premium/Discount - \$5,258	0	5,258	0	5,258	0
Refunding Gain - \$9,250	0	(9,250)	0	(9,250)	0
Total General Obligation Bonds	4,739,551	1,205,400	1,531,166	4,413,785	410,000
Mortgage Revenue Bonds					
Sanitary Sewer 1 - 1964					
\$725,000 @ 3.25%-4.25%	45,000	0	35,000	10,000	10,000
Waterworks 3 Phase I - 1992					
\$2,000,000 @ 6.125%	1,847,000	0	23,000	1,824,000	24,000
Waterworks 3 - 1997					
\$5,500,000 @ 4.875%	5,241,000	0	60,000	5,181,000	62,000
Waterworks 3 - 1964					
\$1,000,000 @ 4.25%	68,000	0	17,000	51,000	51,000
Waterworks 3 Extension - 1968					
\$1,000,000 @ 5.75%	280,000	0	0	280,000	280,000
Total Mortgage Revenue Bonds	7,481,000	0	135,000	7,346,000	427,000
OWDA Loan					
Waterworks 3 - 1989 \$61,267 @ 8.25%	40,140	0	2,551	37,589	2,763
Long Term Notes					
Sanitary Sewer 2 - 2003, \$3,500,000 @ 1.40%	3,500,000	3,500,000	3,500,000	3,500,000	0
Waterworks 3 - 2003, \$1,000,000 @ 1.40%	1,000,000	1,000,000	1,000,000	1,000,000	0
Waterworks 3 - 2003, \$1,000,000 @ 1.50%	0	1,000,000	0	1,000,000	0
Total Long Term Notes	4,500,000	5,500,000	4,500,000	5,500,000	0
Capital Lease	19,731	0	4,368	15,363	4,592
Compensated Absences	252,047	270,761	221,071	301,737	96,501
Total Business-Type Activities	\$17,032,469	\$6,976,161	\$6,394,156	\$17,614,474	\$940,856

Governmental Activities:

1993 Various Purpose and Refunding Bonds – On October 25, 1993 Belmont County issued \$6,535,000 of general obligation bonds which included serial and term in the amount of \$5,080,000 and \$1,455,000, respectively. These various purpose and refunding bonds were issued for governmental and business type activities, \$3,655,000 and \$2,880,000, respectively. A breakdown of the business-type portion of this bond issue is addressed below in the business type activity portion of this note. A breakdown of the governmental portion of the total bond issue is as follows:

\$1,565,000 of these general obligation bonds were issued to refund \$1,410,000 of outstanding 1986 county building refunding bonds. These bonds are being retired through the debt service fund from rental income from the Department of Human Services. General Fund revenues will assist in the repayment if rental income is insufficient.

\$2,090,000 of these general obligation bonds were issued for additional jail construction purposes. These bonds are being retired through the debt service fund from sales and use tax proceeds.

These bonds were refunded on December 1, 2003, with the 2003 Various Purpose Refunding Bonds.

2003 Various Purpose Refunding Bonds – On December 1, 2003 Belmont County issued \$2,995,000 of general obligation serial bonds. These various purpose refunding bonds were issued to refund bonds for governmental and business type activities in the amounts of \$1,785,000 and \$1,210,000, respectively. At December 31, 2003, the outstanding value of the 1993 bonds were removed from the financial statements. The total amount of the refunded bonds remained outstanding at December 31, 2003, and were subsequently called in January, 2004, see Subsequent Events Note for further details. The refunding bonds were issued with a “net” premium/discount of \$4,056 for governmental and \$7,050 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs, \$42,879 for governmental and \$28,867 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, \$17,150 for governmental and \$11,650 for business type activities. These differences, reported in the accompanying financial statements as a decrease to bonds payable, are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance resulted in difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$111,086 for governmental activities and \$54,874 for business type activities. The issuance resulted in a total economic gain of \$156,350, \$102,224 for governmental activities and \$54,126 for business type activities.

A breakdown of the business-type portion of this bond issue is addressed below in the business type activity portion of this note. A breakdown of the governmental portion of the total bond issue is as follows:

\$460,000 of these general obligation bonds were issued to refund \$440,000 of outstanding 1993 various purpose and refunding bonds that were originally issued to refund bonds that had been issued for the construction of the human service building. These bonds are being retired through the debt service fund from rental income from the Department of Human Services. General Fund revenues will assist in the repayment if rental income is insufficient.

\$1,325,000 of these general obligation bonds were issued to refund \$1,275,000 of outstanding 1993 various purpose and refunding bonds that were originally issued for construction of the jail facility. These bonds are being retired through the debt service fund from sales and use tax proceeds.

These bonds are not subject to optional or mandatory redemption prior to stated maturity.

Principal and interest requirements to retire the 2003 Various Purpose Refunding Bonds outstanding at December 31, 2003 are as follows:

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

Year Ending December 31	Human Services Serial Bonds		Jail Construction Serial Bonds	
	Principal	Interest	Principal	Interest
2004	\$150,000	\$9,200	\$105,000	\$36,558
2005	150,000	6,200	110,000	34,457
2006	160,000	3,200	115,000	32,258
2007	0	0	120,000	29,957
2008	0	0	135,000	26,958
2009-2013	0	0	740,000	75,592
Totals	\$460,000	\$18,600	\$1,325,000	\$235,780

1996 County Jail Bonds – On August 1, 1996, Belmont County issued \$2,725,000 of general obligation bonds that consisted of \$1,285,000 serial bonds, and \$1,440,000 term bonds. The bonds were issued for a 20 year period with final maturity at December 1, 2016. The bonds are being retired from the debt service fund from sales and use tax proceeds.

The bonds maturing after December 1, 2006 are subject to optional redemption, in whole or in part, at the option of the Issuer, in inverse order of maturity, in integral multiples of \$5,000 and by lot within a maturity, on any date, commencing December 1, 2006 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2006 through November 30, 2007	101.0%
December 1, 2007 and thereafter	100.0%

The term bonds that remain outstanding mature in the year 2016 and are subject to mandatory sinking fund redemption in part on each December 1, commencing December 1, 2009 (unless otherwise called for redemption, the balance of \$215,000 is to be paid at stated maturity on December 1, 2016) at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amounts and in the years as follows:

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

<u>Date</u>	<u>to be Redeemed</u>
2009	\$145,000
2010	155,000
2011	165,000
2012	175,000
2013	185,000
2014	195,000
2015	205,000
	<u>\$1,225,000</u>

Principal and interest requirements to retire the 1996 County Jail Bonds outstanding at December 31, 2003 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2004	\$115,000	\$117,265
2005	120,000	111,515
2006	125,000	105,395
2007	130,000	98,895
2008	140,000	91,940
2009-2013	825,000	330,526
2014-2016	<u>615,000</u>	<u>73,125</u>
Totals	<u>\$2,070,000</u>	<u>\$928,661</u>

Long Term Notes Payable – The County has an outstanding long term bond anticipation note payable that is backed by the full faith and credit of the County. The note was issued for multiple projects within the county, including governmental and business type activities, \$560,000 and \$4,500,000, respectively. The note was refinanced on March 17, 2004. See the Subsequent Event Note 26.

A breakdown of the business-type portion of this note is addressed below in the business type activity portion of this note. A breakdown of the governmental portion of the total note is as follows:

\$500,000 for the purpose of constructing a juvenile detention facility, which is an asset of another government. The face amount of the note will be reimbursed to the County at the point of completion of the facility.

\$60,000 for the purpose of Northern division court computer hardware and software. The repayments will be made from revenue generated from court fees.

The County has an outstanding long term bond anticipation note payable that is backed by the full faith and credit of the County. The note was issued for two governmental projects within the county. \$115,000 was issued for common pleas court computers and will be repaid through revenue generated from court fees. \$1,280,000 was issued for the purpose of constructing county garages for the use of the county engineer department and will be repaid through motor vehicle license and gas tax revenues. The note was refinanced on August 18, 2004. See the Subsequent Event Note 26.

The County had a revenue anticipation note payable that was fully repaid during 2003. The note was originally issued in 1998 for Northern court computer improvements.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

State Rural Industrial Park Loan – On August 23, 2000, the County entered into a loan agreement with the Ohio Department of Development for a \$400,000 Rural Industrial Park Note. This note was used for the purpose of construction of infrastructure for a new industrial park. The loan was issued for a fifteen year term bearing interest at the rate of zero percent for years one through five and a rate of four percent per annum for years six through fifteen. In addition, during years one through five payment of principal shall be due only upon the sale and transfer of parcels of land where the project is located. The amount payable as principal shall be 50% of the amount received as payment for the sale of project property. In the event that revenues from the sale of property are not sufficient, general tax revenues will be used for the repayment of the loan. Beginning in year six, the principal balance of the loan and the interest on that amount shall be paid in one hundred twenty (120) consecutive monthly installments.

Principal and interest requirements to retire the rural industrial park loan outstanding at December 31, 2003 is as follows:

Year Ending December 31	RIP Loan	
	Principal	Interest
2004	\$12,500	\$0
2005	8,177	3,973
2006	33,535	15,063
2007	34,901	13,696
2008	36,323	12,274
2009-2013	205,058	37,930
2014-2015	69,506	3,040
Totals	\$400,000	\$85,976

Capital Leases – The County has issued capital leases for copying equipment, office equipment, machinery, and vehicles. These leases will be repaid through the general and public assistance funds from County revenues.

Compensated Absences – The County will pay compensated absences from the General fund, Public Assistance, Mental Retardation, Other Special Revenue, Emergency 911, Motor Vehicle Gas Tax, Juvenile Court, and Children Services special revenue funds, and Park Health Center, Waterworks 2, Waterworks 3, Sanitary Sewer 1, Sanitary Sewer 2, Sanitary Sewer 3A, and Sanitary Sewer 3B enterprise funds.

Business Type Activities:

1999 Park Health Center Refunding Bonds – On April 1, 1999, Belmont County issued \$4,405,000 of general obligation bonds which included serial and term bonds in the amount of \$3,155,000 and \$1,250,000, respectively. These refunding bonds were issued for the purpose of advance refunding 1992 County Home Improvement Bonds in the amount of \$3,810,000. The Park Health Center advance refunding issue resulted in a difference between the acquisition price and the net carrying amount of the debt of \$452,840. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the bonds using the straight line method. These bonds are being repaid through operating revenues of the Park Health Enterprise Fund. A breakdown of the bond issue is as follows:

The bonds maturing after December 1, 2009 are subject to optional redemption, in whole or in part, at the option of the Issuer, in inverse order of maturity, in integral multiples of \$5,000 and by lot within a maturity, on any date, commencing December 1, 2009 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

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

The term bonds that remain outstanding mature in the year 2017 and are subject to mandatory sinking fund redemption in part on each December 1, commencing December 1, 2014 (unless otherwise called for redemption, the balance of \$335,000 is to be paid at stated maturity on December 1, 2017) at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amounts and in the years as follows:

Date	to be Redeemed
2014	\$290,000
2015	305,000
2016	320,000
	\$915,000

Principal and interest requirements to retire the 1999 Park Health Center Refunding Bonds outstanding at December 31, 2003 are as follows:

Year Ending December 31	Principal	Interest
2004	\$190,000	\$159,180
2005	200,000	151,865
2006	205,000	143,865
2007	215,000	135,460
2008	225,000	126,430
2009-2013	1,265,000	477,271
2014-2016	1,250,000	153,600
Totals	\$3,550,000	\$1,347,671

1993 Various Purpose and Refunding Bonds – On October 25, 1993, Belmont County issued \$6,535,000 of general obligation bonds which included serial and term bonds in the amount of \$5,080,000 and \$1,455,000, respectively. These various purpose and refunding bonds were issued for governmental and business type activities, \$3,655,000 and \$2,880,000, respectively. A breakdown of the governmental portion of the total bond issue was disclosed above. A breakdown of the business-type portion of this bond issue is as follows:

\$860,000 of these general obligation bonds were issued to refund \$750,000 of outstanding 1989 sewer bonds. These bonds were issued for two sewer districts, \$751,812 for sanitary sewer district 2, and \$108,188 for sanitary sewer district 3B. These bonds are being retired through these sewer funds from revenues derived from the operation of the sewer systems.

\$2,020,000 of these general obligation bonds were issued to refund \$1,740,000 of outstanding 1989 water bonds. These bonds are being retired through the Waterworks 3 fund from revenues derived from the operation of the water system.

These bonds were refunded on December 1, 2003, with the 2003 Various Purpose Refunding Bonds.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

2003 Various Purpose Refunding Bonds – On December 1, 2003 Belmont County issued \$2,995,000 of general obligation serial bonds. These various purpose refunding bonds were issued to refund bonds, for governmental and business type activities in the amounts of \$1,785,000 and \$1,210,000, respectively. At December 31, 2003, the outstanding value of the 1993 bonds were removed from the financial statements, see Subsequent Events Note for further details. The refunding bonds were issued with a “net” premium/discount of \$4,056 for governmental and \$7,050 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs, \$42,879 for governmental and \$28,867 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, \$17,150 for governmental and \$11,650 for business type activities. These differences, reported in the accompanying financial statements as a decrease to bonds payable, are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance resulted in difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$111,086 for governmental activities and \$54,874 for business type activities. The issuance resulted in a total economic gain of \$156,350, \$102,224 for governmental activities and \$54,126 for business type activities.

A breakdown of the business-type portion of the total bond issue is as follows:

\$250,000 of these general obligation bonds were issued to refund \$240,000 of outstanding 1993 various purpose and refunding bonds sewer bonds. These bonds are being retired through the sanitary sewer district 2 fund from revenues derived from the operation of the sewer system.

\$960,000 of these general obligation bonds were issued to refund \$925,000 of outstanding 1993 various purpose and refunding bonds. These bonds are being retired through the Waterworks 3 fund from revenues derived from the operation of the water system.

These bonds are not subject to optional or mandatory redemption prior to stated maturity

Principal and interest requirements to retire the 2003 Various Purpose Refunding Bonds outstanding at December 31, 2003 are as follows:

Year Ending December 31	Sanitary Sewer 2 Serial Bonds		Waterworks 3 Serial Bonds	
	Principal	Interest	Principal	Interest
2004	\$80,000	\$5,000	\$140,000	\$22,263
2005	85,000	3,400	150,000	19,462
2006	85,000	1,700	150,000	16,463
2007	0	0	160,000	13,462
2008	0	0	175,000	9,463
2009-2013	0	0	185,000	5,087
Totals	\$250,000	\$10,100	\$960,000	\$86,200

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Notes to the Basic Financial Statements (Continued)
December 31, 2003

Revenue Bonds – The County issued mortgage revenue bonds for various water and sewer projects. These bonds will be paid from revenues derived by the County from the operation of the water and sewer systems. Mortgage revenue bonds debt service requirements to maturity are as follows:

Year Ending December 31	Sanitary Sewer		Water Works	
	Principal	Interest	Principal	Interest
2004	\$10,000	\$213	\$417,000	\$373,428
2005	0	0	91,000	359,801
2006	0	0	96,000	355,040
2007	0	0	101,000	350,023
2008	0	0	106,000	344,736
2009-2013	0	0	623,000	1,633,811
2014-2018	0	0	801,000	1,452,647
2019-2023	0	0	1,038,000	1,217,880
2024-2028	0	0	1,341,000	913,285
2029-2033	0	0	1,602,000	517,932
2034-2038	0	0	1,120,000	139,815
Total	<u>\$10,000</u>	<u>\$213</u>	<u>\$7,336,000</u>	<u>\$7,658,398</u>

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

Long Term Notes Payable – The County has an outstanding long term note payable that is backed by the full faith and credit of the County. The note was issued for multiple projects within the county including governmental and business type activities, \$560,000 and \$4,500,000, respectively. The note was refinanced on March 17, 2004. See the Subsequent Event Note 26.

A breakdown of the business-type portion of this note is as follows:

- \$3,500,000 was issued for sanitary sewer improvements and is to be repaid through sales and use taxes and user charges from the sanitary sewer 2 fund.
- \$1,000,000 was issued for water improvements and is to be repaid through user charges from the waterworks 3 fund.

The County had an additional \$1,000,000 long term note payable that is backed by the full faith and credit of the County. The note was issued for water improvements, and was refinanced on March 17, 2004. See the Subsequent Event Note 26. The note is to be repaid through user charges from the waterworks 3 fund.

OWDA Loans – The County has issued an OWDA Loan for a water project. The loan will be repaid from charges for services revenue in the enterprise fund.

Year Ending December 31	Principal	Interest
2004	\$2,763	\$3,105
2005	2,991	2,877
2006	3,238	2,630
2007	3,506	2,362
2008	3,795	2,223
2009-2013	21,296	6,069
Total	<u>\$37,589</u>	<u>\$19,266</u>

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Notes to the Basic Financial Statements (Continued)
December 31, 2003

Capital Lease – The County has issued a capital lease for copying equipment. This lease will be repaid through the park health center fund from revenues.

Legal Debt Margins:

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

The effects of the debt limitations described above at December 31, 2003 are a margin on unvoted debt of \$9,475,593, and an overall debt margin of \$22,188,982.

Conduit Debt:

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within Belmont County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2003, there is \$28,875,000 in industrial revenue bond issues that have not been completely repaid of which \$20,839,103 remain outstanding.

NOTE 18 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2003, follows:

<u>Special Revenue Fund:</u>		<u>Outstanding 12/31/2002</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/2003</u>
Common Pleas					
Court Computer	1.92%	\$125,000	\$0	\$125,000	\$0
<u>Capital Projects Funds:</u>					
Satellite Building	2.00%	1,500,000	0	1,500,000	0
County Engineer Buildings	1.92%	1,440,000	0	1,440,000	0
Satellite Building	1.50%	0	1,500,000	0	1,500,000
Total Capital Projects Funds		2,940,000	1,500,000	2,940,000	1,500,000
<u>Enterprise Funds:</u>					
Sanitary Sewer System	2.00%	2,600,000	0	2,600,000	0
Sanitary Sewer System	2.00%	195,000	0	195,000	0
Water Works System	1.88%	1,000,000	0	1,000,000	0
Water Works System	1.50%	0	175,000	0	175,000
Sanitary Sewer System	1.50%	0	2,400,000	0	2,400,000
Water Works System	1.43%	0	1,000,000	0	1,000,000
Total Enterprise Funds		3,795,000	3,575,000	3,795,000	3,575,000
Total All Funds		\$6,860,000	\$5,075,000	\$6,860,000	\$5,075,000

All of the notes, with the exception of the court computer notes, are bond anticipation notes and are backed by the full faith and credit of Belmont County and have maturity dates of one year or less. Those notes pertaining to the water works and the sanitary sewer enterprise funds will be paid from revenues derived by the County from the operation of the water and sewer systems with the exception of the \$175,000 Water Works System 2.00% Note. County sales and use tax revenue will assist in the repayment if enterprise fund revenues are insufficient. The installment notes issued for court computers were paid through the

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

Court Computer Fund with fine and forfeiture monies.

NOTE 19 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund balances at December 31, 2003, consist of the following individual interfund receivables and payables:

<u>Interfund Payable</u>	Interfund Receivable					Total
	Major Funds			Other Nonmajor Governmental	Other Nonmajor Business Type	
	General	Public Assistance	Water Works 3			
Major Funds:						
General Fund	\$0	\$0	\$1,816	\$5,360	\$0	\$7,176
Park Health Center	35,000	0	0	0	0	35,000
Other Nonmajor						
Governmental	105,915	367,270	0	2,000	0	475,185
Other Nonmajor Business Type	0	0	98,851	0	36,000	134,851
Total All Funds	\$140,915	\$367,270	\$100,667	\$7,360	\$36,000	\$652,212

The balance due to the General Fund and the Water Works 2 fund, that is included in the other nonmajor business funds column above, includes loans made to provide working capital for operations; the entire balance is scheduled to be collected within one year.

The remaining interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. All of these amounts are expected to be received within one year.

Interfund transfers for the year ended December 31, 2003 consisted of the following:

<u>Transfer from</u>	Transfer to					Totals
	Major Funds			Other Nonmajor Governmental	Other Nonmajor Business Type	
	Public Assistance	Infrastructure	Sanitary Sewer 2			
Governmental Activities						
General Fund	\$342,877	\$1,135,000	\$0	\$1,088,614	\$0	\$2,566,491
Other Nonmajor						
Governmental	0	0	0	205,112	0	205,112
Business Type Activities						
Sanitary Sewer District 2	0	0	0	0	31,765	31,765
Other Nonmajor Business Type	0	0	22,000	0	0	22,000
Total All Funds	\$342,877	\$1,135,000	\$22,000	\$1,293,726	\$31,765	\$2,825,368

The above mentioned Transfers From/To were used to move revenues from the fund that statute or budget

requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments come due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 20 - JOINT VENTURE

Belmont-Harrison Juvenile District (District):

The Belmont-Harrison Juvenile District is jointly operated by Belmont and Harrison Counties for the purpose of providing a safe, humane and productive environment for the youth in its care. Based upon the needs of each court-placed youth, referrals are made for appropriate delivery of medical, psychological and substance abuse services. The District is committed to the goal of rehabilitative services. The joint board of commissioners whose membership consists of the three commissioners from each participating county is responsible for providing funds to support the District and appoints the Board of Trustees upon recommendation and approval of the juvenile judge of that county of which that person is a resident. The board of trustees, consisting of four members from the Belmont County area and three from the Harrison County area, oversees and sets rules and regulations for District Programs and appoints the Director of the District. Belmont County, being the largest county, is the fiscal agent for the District. The Board exercises total control of the budgeting, appropriation, contracting and management.

Each county's contribution is based on its prior year's usage of services and is made from the General Fund. Belmont County's payment for services provided the County from the District amounted to \$459,123 or 24 percent of the District's total revenues during 2003. Continued existence of the Joint District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. The Joint District is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The financial activity of the District is presented as an agency fund due to the County serving as fiscal agent. Complete financial statements can be obtained from the Belmont-Harrison Juvenile District, St. Clairsville, Ohio.

NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS

A. **Belmont, Harrison, and Monroe Counties Cluster**

Belmont, Harrison, and Monroe Counties Cluster provides services to multi-need youth in Belmont, Harrison, and Monroe Counties. Members of the Cluster include the Belmont, Harrison, Monroe Counties Alcohol, Drug Addiction, and Mental Health Services Board, the Children Services Board, the Belmont, Harrison, Monroe Drug and Alcohol Councils, student services, Belmont-Harrison Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and mental retardation and developmental disabilities. The operation of the Cluster is controlled by an advisory committee which consists of a representative from each agency. The Cluster is not dependent upon Belmont County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Cluster. In 2003, the County contributed \$175,086 to the Cluster.

B. **Bel-O-Mar Regional Council**

Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County and three counties in West Virginia. The governing board is comprised of 58 officials from the four county service area of which four are appointed by Belmont County. The Council is not dependent upon Belmont County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Council. The County contributed \$98,828 to the Council during 2003.

C. Mental Health Recovery Board (Board):

The Board is responsible for delivery of comprehensive mental health and substance abuse services in Belmont, Harrison and Monroe counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund and evaluate the services. The Board is managed by eighteen members, six appointed by commissioners of Belmont County, two each by commissioners of Harrison and Monroe counties and are proportionate to population, four by Ohio Department of Drug and Alcohol and four by the State Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the board. The Board exercises total control of the budgeting, appropriation, contracting and management.

Contributions of \$930,459 were provided to the Board by Belmont County during 2003. This represents approximately 13 percent of the Board's revenue. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board.

D. Southeast Ohio Juvenile Rehabilitation District (SOJRD):

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

A Board of Trustees has been created whose members are appointed by the Judicial Rehabilitation Board of which Belmont and Jefferson counties have three appointees, Guernsey county has two appointees, and Harrison, Monroe and Noble counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Belmont County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund.

E. Area Office on Aging:

The Area Office on Aging is a regional council of governments that assists nine counties, including Belmont County, in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgetary, personnel and all other financial matters. The Area Office on Aging receives Title III monies to be used for programs within the member counties. A local not-for-profit corporation (The Belmont County Committee on Aging, Inc.) receives revenue from a one-half mill tax levy. These revenues and related expenditures are reported in the In Home Care Levy fund of the County's financial statements. The continued existence of the Council is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Council. The Council has no outstanding debt.

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

OMEGA is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas

Counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application of Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and the cities within each county. City membership is voluntary. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. During 2003, OMEGA received \$8,190 from Belmont County. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or financial responsibility for OMEGA. OMEGA has no outstanding debt.

G. Jefferson-Belmont Joint Solid Waste Authority:

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

H. South Eastern Narcotics Team (SENT):

SENT is a multijurisdictional drug task force with the primary goal of combating major narcotic traffickers in Belmont, Carroll, Guernsey, Harrison, Monroe, and Tuscarawas Counties. It is jointly governed among the participating counties and cities. A grant is received from the State of Ohio of which the participating entities must match 25 percent. Of the 32 members, the County appoints two. Each member's control over the operation of SENT is limited to its representation of the Board. In 2003, the County did not contribute to SENT.

I. Belmont County Family and Children First Council:

The Belmont County Family and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Board of Alcohol, Drug Addiction, and Mental Health Services, Director of the Belmont County Community Mental Health Services Board, Health Commissioner of the Belmont County Health Department, Director of the Belmont County Human Services, Director of the Children Services Department, Superintendent of the Belmont County Mental Retardation and Development Disabilities, the Belmont County Juvenile Court Judge, Superintendent of St. Clairsville City Schools, Superintendent of Bridgeport Exempted Village Schools, Mayor of the City of Martins Ferry, two representatives of the City of St. Clairsville, Chair of the Belmont County Commissioners, State Department of Youth Services Regional representative, representative from the County Head Start Agencies, a representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986", and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. In 2003, the County made no contributions to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

J. East Ohio Correctional Facility:

The East Ohio Correction Facility provides services to Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe and Noble Counties. The facility has a judicial correctional board of eight, each participating County's Common Pleas Judge with Belmont and Jefferson County having two appointed. Each member's control over the operation of the commission is limited to its representation on the board. The continued existence of the Facility is not dependent on

Belmont County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Facility. Jefferson County serves as the fiscal agent for the Facility. Complete financial statements can be obtained from the East Ohio Correctional Facility.

K. Buckeye Hills Resource Conservation and Development Council (RC&D):

RC&D is a 501 (c) (3) non-profit entity, serving a ten county region in southeastern Ohio including Athens, Belmont, Fairfield, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the ten counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 32 members which include three representatives from each county and one representative from each conservancy district. The Council has total control over budgeting, personnel, and all other financial matters. The continued existence of the Project is not dependent on Belmont County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the RC&D.

L. Belmont - Jefferson Workforce Policy Board

The Belmont - Jefferson Workforce Policy Board was created to establish a workforce investment system, including providing policy guidance for, and exercising oversight for the Workforce Development Plan in conjunction with the Workforce Investment Act. The Board was created under the Ohio Revised Code Section 6301 and Amended Substitute House Bill 470. The Board is comprised of 29 members in total with 14 members appointed by the Jefferson County Commissioners and 15 members appointed by the Belmont County Commissioners. During 2003, the County made no contributions to the Board.

NOTE 22 - RELATED ORGANIZATIONS

A. *Belmont Metropolitan Housing Authority*

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

B. Belmont Park District

The three Park District Commissioners are appointed by the Probate Judge of the County. The Park District hires and fires its own staff and does not rely on the County to finance deficits. The County is not financially accountable for the Park District nor is the Park District financially dependent on the County. The Park District serves as its own budgeting, taxing and debt issuance authority. During 2003, the Park District received \$29,924 from local government and local government revenue assistant monies.

NOTE 23 - PUBLIC ENTITY POOLS

A. County Risk Sharing Authority (CORSA)

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member Counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member County's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest in or a financial responsibility for CORSA. The County's payment for insurance to CORSA in 2003 was \$341,975.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

NOTE 24 - SEGMENT INFORMATION

The government maintains one nonmajor enterprise fund segment. This segment is the Sanitary Sewer District 1 which provides sewer services to County residents on a fee basis. A summary of financial information for the segment as of and for the year ended December 31, 2003, is as follows:

<u>Condensed Statement of Net Assets</u>		<u>Condensed Statement of Revenues, Expenses and Changes in Net Assets</u>	
Current Assets	\$70,909	Operating Revenue	\$246,528
Capital Assets	60,051	Operating Expense	312,453
Other Assets	1,218,231	Depreciation Expense	2,988
Total Assets	1,349,191	Operating Income (Loss)	(68,913)
Current Liabilities	58,525	Net Non-Operating Revenues (Expenses)	22,739
Long-Term Liabilities	12,464	Capital Contributions	300
Total Liabilities	70,989	Change in Net Assets	(46,174)
Invested in Capital Assets, Net	50,051	Net Assets Beginning of Year	1,324,376
Restricted Net Assets	38,000	Net Assets End of Year	1,278,202
Unrestricted Net Assets	1,190,151		

<u>Condensed Statement of Cash Flows</u>	
Net Cash Used for Operating Activities	(\$63,062)
Net Cash Used for Capital and Related Financing Activities	(36,609)
Net Cash Provided by Investing Activities	36,909
Beginning Cash and Cash Equivalents	122,826
Ending Cash and Cash Equivalents	60,064

NOTE 25 - FOOD STAMPS

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

NOTE 26 - CONTINGENCIES/SUBSEQUENT EVENTS

Grants - 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.

Litigation - The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

Refunding Bonds - On December 1, 2003, the County issued general obligation bonds for the purpose of refunding 1993 various purpose and refunding bonds. When the bonds were issued in December, the net proceeds were paid into a trust account for the repayment of the bonds, resulting in defeasance of the debt. At December 31, 2003, the outstanding value of the 1993 bonds were removed from the financial statements. The 1993 bonds were called in January 2004, and as of the date of this report all of the outstanding bonds are redeemed.

Industrial Park Sale of Land – State Rural Industrial Park Loan Payment – Early in 2004, the Community Improvement Corporation, acting as an agent on behalf of the County, sold two parcels of land in the industrial park for a total of \$25,000. The County received the proceeds from the sale in June 2004. Per the original loan agreement, repayments during years one through five of the loan will be payment of principal due only upon the sale and transfer of parcels of land where the project is located. The amount payable as principal shall be 50 percent of the amount received as payment for the sale of project property. The County made the first loan payment in June 2004 for principal of \$12,500.

OWDA Loan Interest Subsidy – On May 29, 2003, the Ohio Water Development Authority Board authorized an Interest Rate Subsidy program. This program will benefit Belmont County, as the County has outstanding interest rates on loans in excess of 7 percent. Under the program, OWDA will effectively reduce the interest rate on the outstanding balance of these loans to 7 percent by paying the portion of the interest above 7 percent. Implementation of the subsidy program will commence with the payment due on January 1, 2004 and will carry through to the maturity date of the affected loans.

Long Term Notes Payable – On March 17, 2004, the County refinanced a bond anticipation note payable for water projects, sewer projects, county court computer improvements, and juvenile detention facilities. The new note matures on March 16, 2005. The refinanced note was for two outstanding notes, a twelve month bond anticipation note that was originally issued on March 19, 2003, that had an interest rate of 1.40 percent, and a twelve month bond anticipation note that was originally issued on May 28, 2003 that had an interest rate of 1.50 percent. This note is intended to be repaid through enterprise fund user charges, sales and use taxes, court fees, and state reimbursements from Department of Youth Services.

On August 18, 2004, the County refinanced a bond anticipation note payable for common pleas court computer improvements and county engineer buildings. The bond anticipation note matures on August 17, 2005. The refinanced note was for a twelve month bond anticipation note that was originally issued on August 18, 2003, that had an interest rate of 1.47. This note is intended to be repaid through court fees and motor vehicle license and gas tax revenues.

NOTE 27 - RELATED PARTY TRANSACTIONS

During 2003 Belmont County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs to Belco Crafts, Inc. Belco Crafts, Inc., a discretely presented component unit of Belmont County, reported \$481,242 for such contributions. Belco Crafts, Inc., recorded operating revenues and operating expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of Belco Crafts, Inc.

NOTE 28 – COMPONENT UNIT (Belco Crafts) Inc.

A. NATURE OF ORGANIZATION

Belco Crafts, Inc. is a non-profit organization, which provides meaningful employment and training opportunities to adults with disabilities. A self-appointing Board of Trustees operates Belco Crafts, Inc. The workshop, under a contractual agreement with the Belmont County Board of Mental Retardation and Developmental Disabilities (MR/DD), provides sheltered employment for mentally retarded or handicapped adults in Belmont County. The operations of Paramount Support Services, a division of Belco Crafts, Inc. is included in the financial statements of Belco Crafts, Inc.

Based on the significant services and resources provided by Belmont County to Belco Crafts, Inc. and that the sole purpose of the workshop is to provide assistance to the retarded and handicapped adults of Belmont County, it was determined that Belco Crafts, Inc. should be presented as a component unit on the financial statements of Belmont County.

B. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements and accounts of Belco Crafts, Inc. are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States for not-for-profit organizations. Revenues are recognized when received, and expenses are recognized when incurred.

Basis of Presentation - The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of Financial Accounting Standard No. 117 Financial Statements of Not-for Profit Organizations. Accordingly, net assets are reported in each of the following three classes:

Unrestricted Net Assets: These include the net assets available for general operations, including board-designated or appropriated amounts, as they are not subject to any donor-imposed restrictions.

Temporarily Restricted Net Assets: Belco reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Typically, Belco is permitted to use all or a portion of the income earned on the related investments for general operating or specific purposes.

Revenues are recorded as increases in unrestricted net assets unless donor imposed restrictions limit the use to a specific purpose. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by specific donor stipulations or by law. Expirations of temporary restrictions on net assets (e.g. a donor stipulation has been met) are reported as reclassifications between applicable classes of net assets in the accompanying statements of activities.

Accounts Receivable - Accounts receivable are considered to be fully collectible, accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory - Inventory is stated at the lower of cost or market.

Cash and Cash Equivalents - For purposes of the statement of cash flows, Belco Crafts considers all short-term debt securities purchased with maturity of three months or less to be cash equivalents.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications - Certain amounts in the prior year balance sheet have been reclassified to conform to the current year's presentation.

C. RESTRICTED CASH AND CASH EQUIVALENTS

These checking accounts contain funds that are restricted to client activities, events, or projects. The funds cannot be used for the operations of Belco Crafts, Inc.

D. RELATED PARTY TRANSACTION

Belco Crafts, Inc. received contributions from the Belmont County Board of Mental Retardation and Developmental Disabilities for facilities, certain equipment, transportation and salaries for administration, and implementation and supervision of its programs. These in-kind contributions are reflected as sales and cost of sales at the value calculated by the County Board.

E. CONCENTRATION OF CREDIT RISK

Belco Crafts, Inc. receives a substantial amount of support from the Belmont County Board of Mental Retardation and Developmental Disabilities. A significant reduction in the level of this support, if this were to occur, may have an effect on Belco Crafts, Inc. programs and activities.

At year-end 2003, the carrying amount of Belco's deposits was \$701,892 and the bank balance was \$730,625. Of the year ended 2003 bank balance \$200,000 was covered by federal depository insurance (FDIC), and \$368,408 was collateralized by securities held by the pledging financial institution in Belco Crafts' name and \$162,217 was considered uninsured. Belco Crafts, Inc. holds certificates of deposit totaling \$71,182.91 at December 31, 2003. There are no statutory guidelines regarding the deposit and investment of funds by the non-profit corporation.

F. HEALTH INSURANCE

Belco Crafts, Inc. has elected to be self-insured for employee health insurance. Belco Crafts, Inc. and employees share in the cost of the monthly premiums paid. Premiums and claims are expensed to various departments and employee benefit accounts when claim amounts are known. Administrative services of the health insurance plan have been contracted for with a third party. An excess loss insurance policy has been purchased to cover all costs over \$25,000 per person. Costs above the \$1,000,000 limit per person reverts back to Belco Crafts, Inc. The estimate for incurred but not reported liability at year-end was \$26,000. The incurred but not reported liability was recorded to employee benefits expense. The liability decrease created a negative expense account balance for 2003.

G. COMPENSATED ABSENCES

Belco Crafts' policy permits employees to accumulate unlimited amounts of personal leave time, which will be paid upon termination. Compensated absences are recorded for personal leave balances accumulated by employees.

H. RETIREMENT BENEFITS

Belco Crafts, Inc. administers a 403(b) Plan for the benefit of its employees. The plan is available to all full-time staff members. The Plan is funded through contributions of employees. The employer does not make contributions.

I. CAPITAL ASSETS

Under provisions of the agreement with the Belmont County Board of Mental Retardation and Developmental Disabilities, most fixed assets necessary for the program are owned by the Board and are used by Belco Crafts without charge. Property and equipment owned by Belco Crafts, Inc. is stated at cost. Depreciation is computed using the straight-line method. Depreciation expense for 2003 was \$105,299.12

A summary of capital assets at December 31, is as follows:

Auto and trucks	\$487,832.75
Equipment	290,755.33
Total	<u>778,588.08</u>
Less: Accumulated depreciation	<u>(\$536,646.99)</u>
Net Capital Assets	<u><u>\$241,941.09</u></u>

A summary of the changes in capital assets during 2003 follows:

	Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003
Auto and Trucks	\$454,309.75	\$44,159.00	\$10,636.00	\$487,832.75
Equipment	288,145.33	2,610.00	0.00	290,755.33
Total	<u>\$742,455.08</u>	<u>\$46,769.00</u>	<u>\$10,636.00</u>	<u>\$778,588.08</u>

J. BUDGET

Budgetary information for Belco Crafts, Inc. is not reported because it is not an entity for which an appropriated budget is adopted, and Belco Crafts does not maintain budgetary financial records.

K. SUBSEQUENT EVENTS

The operations of Paramount Support Services, a division of Belco Crafts, Inc. began operations as a wholly owned subsidiary of Belco Crafts, Inc called Paramount Support Services, Inc. effective January 1, 2004. Paramount Support Services, Inc. is a non-profit corporation under Internal Revenue Code 509(a)(2). Paramount and Belco Crafts, Inc. have the same Board of Directors.

Belmont County, Ohio
Notes to the Basic Financial Statements (Continued)
December 31, 2003

L. LONG-TERM DEBT

Long-term debt consists of the following:

	2003
Note payable to Ford Credit with interest at 2.9%, due September 2005, secured by 2000 Ford Windstar	\$8,006.83
Note payable to Chrysler with interest at 2.9%, due December 2005, secured by 2000 Dodge Caravan	9,316.93
Note payable to Ford Credit with interest at 2.9%, due May 2006, secured by 2001 Ford Windstar	10,062.70
	\$27,386.46

Maturities of long-term debt are as follows:

Year Ending December 31	Amount
2004	\$13,195.13
2005	12,406.00
2006	1,785.33
	\$27,386.46

M. LONG -TERM LEASES

Belco Crafts, Inc. has entered into three lease arrangements, which are accounted for as operating leases:

- A) The company operates a gift shop from facilities that are leased under a two-year operating lease expiring March 31, 2004.
- B) The company leases office space, off the premises of the workshop, for Paramount Support Services' administrative office. The three-year lease expires November 30, 2005.
- C) The company leases two Xerox copiers under a five-year lease agreement. The lease expires January 24, 2007.

The following is a schedule of future minimum rental payments required under the above operating leases as of December 31, 2003:

Year Ending December 31	Amount
2004	\$12,560.46
2005	7,835.42
2006	2,610.42
2007	1,305.21
Total	\$24,311.51

N. Income Tax Status

Belco Crafts, Inc. is a not-for-profit corporation organized and operated exclusively as a sheltered workshop for disabled individuals within the meaning of Section 501 (c) (3) of the U.S. Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, no liability for income taxes is reflected in the accompanying financial statements

Combining Statements And Individual Fund Schedules

**Belmont County, Ohio
Fund Descriptions –
Nonmajor Governmental Funds**

NonMajor Special Revenue Funds:

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

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

Law Enforcement Fund – To account for monies received from grants, fines, court fees and revenues derived from private escort work used for alcohol and drug addiction treatment programs and for court appointed guardians for indigents.

Road and Bridge Fund – To account for revenues received from a portion of the one half of one percent piggyback sales tax. Expenditures are for the repair and paving of County roads.

Emergency 911 Fund – To account for revenue derived from a County tax levy used for the implementation and operation of a 911 system.

Lodging Excise Tax Fund – To account for revenues generated by a three percent excise tax. The money is used to promote tourism in the County.

Motor Vehicle and Gasoline Tax Fund – To account for revenues derived from motor vehicle licenses, gasoline taxes, and interest income. This money is used for road and bridge repairs and operating costs of the County Engineer.

Juvenile Court Fund – To account for state grants, fees and donations used to provide services and community treatment to juvenile offenders.

Mental Health Fund – To account for property tax revenue and federal and state grants used by the Belmont-Harrison-Monroe Counties Alcohol Drug Addiction and Mental Health Services Board.

In-Home Care Levy Fund – To account for revenue derived from a County levy used for providing transportation, nutrition and in-home services to elderly residents who are frail and/or handicapped.

Children Services Fund – To account for monies received from property taxes, federal and state grants, support collections, the Veterans Administration and Social Security. The revenue is to be used for foster homes, emergency shelters, medical treatment, school supplies, counseling and parental training.

County Courts Fund – To account for monies received through court fines and fees which are used for court expenses, enforcing laws, and other judicial programs and issues.

Commissioners CDBG Fund – To account for revenue from the Federal Department of Housing and Urban Development. The Bel-O-Mar Regional Council administers these funds for Belmont County.

(Continued)

**Belmont County, Ohio
Fund Descriptions –
Nonmajor Governmental Funds (Continued)**

Nonmajor Debt Service Fund:

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

Nonmajor Capital Projects 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). The following is a description of the County's capital projects funds:

Permanent Improvement Fund – To account for grants, local funds, property taxes and general fund transfer which are used to finance various projects in the County.

Issue 2 Fund – To account for state grants and the local matching share for various infrastructure projects within the County.

Satellite Building Construction Fund – To account for grant money and note proceeds used for the purchase and furnishing of buildings for two satellite offices of the Department of Human Services.

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Belmont County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,559,445	\$44,191	\$2,842,422	\$10,446,058
Cash and Cash Equivalents with Fiscal Agents	1,200,600	0	0	1,200,600
Investments in Segregated Accounts	20,576	0	0	20,576
Accounts Receivable	5,408	0	0	5,408
Intergovernmental Receivable	3,299,694	0	0	3,299,694
Permissive Sales Tax Receivable	13,548	0	0	13,548
Materials and Supplies Inventory	364,686	0	0	364,686
Interfund Receivable	7,360	0	0	7,360
Property and Other Local Taxes Receivable	2,848,135	0	0	2,848,135
Loans Receivable	368,551	0	0	368,551
	<u>\$15,688,003</u>	<u>\$44,191</u>	<u>\$2,842,422</u>	<u>\$18,574,616</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$544,361	\$0	\$0	\$544,361
Accrued Wages and Benefits Payable	178,949	0	0	178,949
Contracts Payable	0	18,458	0	18,458
Intergovernmental Payable	254,155	0	0	254,155
Interfund Payable	475,185	0	0	475,185
Accrued Interest Payable	0	0	2,750	2,750
Deferred Revenue	5,639,756	0	0	5,639,756
Notes Payable	0	0	1,500,000	1,500,000
	<u>7,092,406</u>	<u>18,458</u>	<u>1,502,750</u>	<u>8,613,614</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	692,827	0	5,000	697,827
Reserved for Loans Receivable	280,051	0	0	280,051
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	7,622,719	0	0	7,622,719
Debt Service Funds	0	25,733	0	25,733
Capital Projects Funds	0	0	1,334,672	1,334,672
	<u>8,595,597</u>	<u>25,733</u>	<u>1,339,672</u>	<u>9,961,002</u>
Total Fund Balances	<u>8,595,597</u>	<u>25,733</u>	<u>1,339,672</u>	<u>9,961,002</u>
Total Liabilities and Fund Balances	<u>\$15,688,003</u>	<u>\$44,191</u>	<u>\$2,842,422</u>	<u>\$18,574,616</u>

Belmont County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Other Special Revenue Fund	Law Enforcement	Road and Bridge	Emergency 911	Lodging Excise Tax
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$2,202,273	\$263,475	\$221,481	\$808,168	\$333,233
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	0
Investments in Segregated Accounts	20,576	0	0	0	0
Accounts Receivable	5,408	0	0	0	0
Intergovernmental Receivable	63,178	119,972	0	0	0
Permissive Sales Tax Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Interfund Receivable	7,360	0	0	0	0
Property and Other Local Taxes Receivable	0	0	0	0	17,087
Loans Receivable	0	0	0	0	0
Total Assets	\$2,298,795	\$383,447	\$221,481	\$808,168	\$350,320
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$40,895	\$1,437	\$0	\$6,169	\$0
Accrued Wages and Benefits Payable	12,267	0	0	16,884	200
Intergovernmental Payable	31,340	3,075	0	11,753	17,226
Interfund Payable	301,894	20,000	0	0	0
Deferred Revenue	195,473	92,056	0	0	0
Total Liabilities	581,869	116,568	0	34,806	17,426
Fund Balances:					
Reserved for Encumbrances	52,342	7,326	177,683	235,431	17,000
Reserved for Loans Receivable	0	0	0	0	0
Unreserved, Undesignated	1,664,584	259,553	43,798	537,931	315,894
Total Fund Balances	1,716,926	266,879	221,481	773,362	332,894
Total Liabilities and Fund Balances	\$2,298,795	\$383,447	\$221,481	\$808,168	\$350,320

Motor Vehicle and Gasoline Tax	Juvenile Court	Mental Health	In-Home Care Levy	Children Services	County Courts	Commissioners CDBG	Total Nonmajor Special Revenue Funds
\$941,118	\$193,524	\$28,703	\$1,211,891	\$587,320	\$743,704	\$24,555	\$7,559,445
0	0	0	0	0	0	1,200,600	1,200,600
0	0	0	0	0	0	0	20,576
0	0	0	0	0	0	0	5,408
2,038,262	0	75,868	117,505	38,896	0	846,013	3,299,694
13,548	0	0	0	0	0	0	13,548
364,686	0	0	0	0	0	0	364,686
0	0	0	0	0	0	0	7,360
0	0	905,989	1,471,952	453,107	0	0	2,848,135
0	0	0	0	0	0	368,551	368,551
<u>\$3,357,614</u>	<u>\$193,524</u>	<u>\$1,010,560</u>	<u>\$2,801,348</u>	<u>\$1,079,323</u>	<u>\$743,704</u>	<u>\$2,439,719</u>	<u>\$15,688,003</u>
\$385,415	\$0	\$0	\$0	\$106,445	\$4,000	\$0	\$544,361
89,279	13,857	0	0	46,462	0	0	178,949
57,409	7,165	0	103,299	20,619	2,269	0	254,155
0	0	0	0	151,291	2,000	0	475,185
1,466,571	0	981,857	1,589,457	492,003	0	822,339	5,639,756
<u>1,998,674</u>	<u>21,022</u>	<u>981,857</u>	<u>1,692,756</u>	<u>816,820</u>	<u>8,269</u>	<u>822,339</u>	<u>7,092,406</u>
93,294	0	0	109,628	0	123	0	692,827
0	0	0	0	0	0	280,051	280,051
1,265,646	172,502	28,703	998,964	262,503	735,312	1,337,329	7,622,719
<u>1,358,940</u>	<u>172,502</u>	<u>28,703</u>	<u>1,108,592</u>	<u>262,503</u>	<u>735,435</u>	<u>1,617,380</u>	<u>8,595,597</u>
<u>\$3,357,614</u>	<u>\$193,524</u>	<u>\$1,010,560</u>	<u>\$2,801,348</u>	<u>\$1,079,323</u>	<u>\$743,704</u>	<u>\$2,439,719</u>	<u>\$15,688,003</u>

Belmont County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	Permanent Improvement	Satellite Building Construction	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,733,401	\$1,109,021	\$2,842,422
Total Assets	<u>\$1,733,401</u>	<u>\$1,109,021</u>	<u>\$2,842,422</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities:</u>			
Accrued Interest Payable	\$0	\$2,750	\$2,750
Notes Payable	0	1,500,000	1,500,000
Total Liabilities	<u>0</u>	<u>1,502,750</u>	<u>1,502,750</u>
<u>Fund Balances (Deficit):</u>			
Reserved for Encumbrances	0	5,000	5,000
Unreserved, Undesignated	1,733,401	(398,729)	1,334,672
Total Fund Balances (Deficit)	<u>1,733,401</u>	<u>(393,729)</u>	<u>1,339,672</u>
Total Liabilities and Fund Balances	<u>\$1,733,401</u>	<u>\$1,109,021</u>	<u>\$2,842,422</u>

Belmont County, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property and Other Local Taxes	\$2,639,482	\$0	\$0	\$2,639,482
Permissive Sales Tax	500,000	0	0	500,000
Charges for Services	1,951,260	0	0	1,951,260
Licenses and Permits	393,627	0	0	393,627
Fines and Forfeitures	605,159	0	0	605,159
Intergovernmental	8,516,215	0	6,804	8,523,019
Interest	40,225	57,292	12,494	110,011
Rent	122,812	83,824	23,957	230,593
Other	115,177	0	603	115,780
Total Revenues	14,883,957	141,116	43,858	15,068,931
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	515,279	0	0	515,279
Judicial	654,078	0	0	654,078
Public Safety	1,057,487	0	0	1,057,487
Public Works	5,254,245	0	0	5,254,245
Health	2,071,717	0	0	2,071,717
Human Services	4,255,195	0	0	4,255,195
Economic Development and Assistance	199,388	0	0	199,388
Capital Outlay	539,438	0	287,328	826,766
Intergovernmental	945,484	0	0	945,484
Debt Service:				
Principal Retirement	0	352,142	0	352,142
Interest and Fiscal Charges	1,493	218,884	59,606	279,983
Issuance Costs on Refunding Bonds	0	42,879	0	42,879
Total Expenditures	15,493,804	613,905	346,934	16,454,643
Excess of Revenues Under Expenditures	(609,847)	(472,789)	(303,076)	(1,385,712)
<u>Other Financing Sources (Uses)</u>				
Refunding Bonds Issued	0	1,785,000	0	1,785,000
Premium on Refunding Bonds	0	7,213	0	7,213
Discount on Refunding Bonds	0	(3,157)	0	(3,157)
Bond Anticipation Notes Issued	175,000	0	1,280,000	1,455,000
Payment to Refunded Bond Escrow Agent	0	(1,732,150)	0	(1,732,150)
Transfers In	131,421	414,734	747,571	1,293,726
Transfers Out	(205,112)	0	0	(205,112)
Total Other Financing Sources (Uses)	101,309	471,640	2,027,571	2,600,520
Net Change in Fund Balance	(508,538)	(1,149)	1,724,495	1,214,808
Fund Balances (Deficit) at Beginning of Year	9,104,135	26,882	(384,823)	8,746,194
Fund Balances at End of Year	\$8,595,597	\$25,733	\$1,339,672	\$9,961,002

Belmont County, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003

	Other Special Revenue Fund	Law Enforcement	Road and Bridge	Emergency 911	Lodging Excise Tax
<u>Revenues:</u>					
Property and Other Local Taxes	\$0	\$0	\$0	\$0	\$255,897
Permissive Sales Tax	0	0	500,000	0	0
Charges for Services	1,028,030	16,599	0	109,564	0
Licenses and Permits	184,104	0	0	0	0
Fines and Forfeitures	338	13,402	0	0	0
Intergovernmental	1,237,870	302,380	0	0	0
Interest	0	0	0	0	0
Rent	122,812	0	0	0	0
Other	90,167	6,860	0	1,899	10
Total Revenues	2,663,321	339,241	500,000	111,463	255,907
<u>Expenditures:</u>					
Current:					
General Government:					
Legislative and Executive	515,279	0	0	0	0
Judicial	341,705	0	0	0	0
Public Safety	73,088	434,686	0	61,885	0
Public Works	141,429	0	352,420	0	0
Health	242,774	0	0	0	0
Human Services	1,268,300	0	0	0	0
Economic Development and Assistance	0	0	0	0	199,388
Capital Outlay	47,319	0	0	345,043	0
Intergovernmental	0	0	0	0	0
Debt Service:					
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	2,629,894	434,686	352,420	406,928	199,388
Excess of Revenues Over (Under) Expenditures	33,427	(95,445)	147,580	(295,465)	56,519
<u>Other Financing Sources (Uses)</u>					
Bond Anticipation Notes Issued	0	0	0	0	0
Transfers In	113,080	3,448	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	113,080	3,448	0	0	0
Net Change in Fund Balances	146,507	(91,997)	147,580	(295,465)	56,519
Fund Balances at Beginning of Year	1,570,419	358,876	73,901	1,068,827	276,375
Fund Balances at End of Year	\$1,716,926	\$266,879	\$221,481	\$773,362	\$332,894

Motor Vehicle and Gasoline Tax	Juvenile Court	Mental Health	In-Home Care Levy	Children Services	County Courts	Commissioners CDBG	Total Nonmajor Special Revenue Funds
\$0	\$0	\$774,711	\$1,234,803	\$374,071	\$0	\$0	\$2,639,482
0	0	0	0	0	0	0	500,000
0	322,261	0	0	474,806	0	0	1,951,260
209,523	0	0	0	0	0	0	393,627
98,929	37,867	0	0	0	454,623	0	605,159
3,890,072	222,797	160,695	246,545	2,107,310	0	348,546	8,516,215
6,010	0	0	0	0	0	34,215	40,225
0	0	0	0	0	0	0	122,812
7,084	1,555	0	0	7,602	0	0	115,177
<u>4,211,618</u>	<u>584,480</u>	<u>935,406</u>	<u>1,481,348</u>	<u>2,963,789</u>	<u>454,623</u>	<u>382,761</u>	<u>14,883,957</u>
0	0	0	0	0	0	0	515,279
0	0	0	0	0	312,373	0	654,078
0	483,828	0	0	0	4,000	0	1,057,487
4,338,905	0	0	0	0	0	421,491	5,254,245
0	0	0	1,828,943	0	0	0	2,071,717
0	0	0	0	2,986,895	0	0	4,255,195
0	0	0	0	0	0	0	199,388
54,923	0	0	0	0	92,153	0	539,438
0	0	930,459	0	0	0	15,025	945,484
0	0	0	0	0	1,493	0	1,493
<u>4,393,828</u>	<u>483,828</u>	<u>930,459</u>	<u>1,828,943</u>	<u>2,986,895</u>	<u>410,019</u>	<u>436,516</u>	<u>15,493,804</u>
<u>(182,210)</u>	<u>100,652</u>	<u>4,947</u>	<u>(347,595)</u>	<u>(23,106)</u>	<u>44,604</u>	<u>(53,755)</u>	<u>(609,847)</u>
0	0	0	0	0	175,000	0	175,000
0	0	0	0	0	14,893	0	131,421
<u>(187,571)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(17,541)</u>	<u>0</u>	<u>(205,112)</u>
<u>(187,571)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>172,352</u>	<u>0</u>	<u>101,309</u>
<u>(369,781)</u>	<u>100,652</u>	<u>4,947</u>	<u>(347,595)</u>	<u>(23,106)</u>	<u>216,956</u>	<u>(53,755)</u>	<u>(508,538)</u>
<u>1,728,721</u>	<u>71,850</u>	<u>23,756</u>	<u>1,456,187</u>	<u>285,609</u>	<u>518,479</u>	<u>1,671,135</u>	<u>9,104,135</u>
<u>\$1,358,940</u>	<u>\$172,502</u>	<u>\$28,703</u>	<u>\$1,108,592</u>	<u>\$262,503</u>	<u>\$735,435</u>	<u>\$1,617,380</u>	<u>\$8,595,597</u>

Belmont County, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003

	Permanent Improvement	Issue II	Satellite Building Construction	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Intergovernmental	\$0	\$6,804	\$0	\$6,804
Interest	57	0	12,437	12,494
Rent	0	0	23,957	23,957
Other	0	0	603	603
Total Revenues	57	6,804	36,997	43,858
<u>Expenditures:</u>				
Capital Outlay	0	177,027	110,301	287,328
Debt Service:				
Interest and Fiscal Charges	23,747	0	35,859	59,606
Total Expenditures	23,747	177,027	146,160	346,934
Excess of Revenues Under Expenditures	(23,690)	(170,223)	(109,163)	(303,076)
<u>Other Financing Sources:</u>				
Bond Anticipation Notes Issued	1,280,000	0	0	1,280,000
Transfers In	747,571	0	0	747,571
Total Other Financing Sources	2,027,571	0	0	2,027,571
Net Change in Fund Balances	2,003,881	(170,223)	(109,163)	1,724,495
Fund Balances (Deficit) at Beginning of Year	(270,480)	170,223	(284,566)	(384,823)
Fund Balances (Deficit) at End of Year	\$1,733,401	\$0	(\$393,729)	\$1,339,672

**Belmont County, Ohio
Fund Descriptions –
Nonmajor Enterprise Funds**

Nonmajor Enterprise Funds:

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods and services.

Water Works 1 Fund – To account for user charges from the distribution of treated water in the Lansing Valley area. The district contracts with the Village of Bridgeport for water service. The revenue is used for operating expenses and to pay mortgage revenue bonded debt.

Sanitary Sewer District 1 Fund – To account for user charges from sanitary sewer service in the Lansing Valley area. The district has its own rate structure and contracts with the City of Bellaire for sewage treatment. Revenue is used for operating expenses and to pay mortgage revenue bonded debt.

Sanitary Sewer District 3A Fund – To account for user charges from sanitary sewer service north of St. Clairsville in the Penn Wood Estates Subdivision. The district has its own rate structure and facilities.

Sanitary Sewer District 3B Fund – To account for user charges from sanitary sewer service in the Deep Run area along County Road 2. The district has its own rate structure and contracts with the Village of Yorkville for sewage treatment. Revenue is used for operating expenses and to pay general obligation bonded debt.

Sanitary Sewer District 3C Fund – To account for user charges from sanitary sewer service in the Hunters Run area. The district has its own rate structure. Revenue is used for operating expenses.

Water Works 2 Fund – To account for user charges from the distribution of treated water west of Blaine following United States Route 40 to Morristown and also the area of Wheeling Creek. The district contracts with the Water Works 3 for water service. The revenue is used for operating expenses and to pay mortgage revenue bonded debt.

Belmont County, Ohio
Combining Statement of Fund Net Assets
Non-Major Enterprise Funds
December 31, 2003

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
Assets							
Current Assets:							
Equity in Pooled Cash and Cash Equivalents	\$258,732	\$53,710	\$103,130	\$16,203	\$10,467	\$1,014,055	\$1,456,297
Cash and Cash Equivalents in Segregated Accounts	19,860	0	0	0	0	0	19,860
Accounts Receivable	30,436	3,614	13,706	5,007	0	1,741	54,504
Materials and Supplies Inventory	0	3,372	0	0	0	47,094	50,466
Interfund Receivable	0	0	0	0	0	36,000	36,000
Restricted Assets:							
Investments with Fiscal Agents	0	10,213	0	0	0	0	10,213
Total Current Assets	309,028	70,909	116,836	21,210	10,467	1,098,890	1,627,340
Non-Current Assets:							
Restricted Assets:							
Equity in Pooled Cash and Cash Equivalents	0	6,354	8,889	476	0	14,648	30,367
Investment with Fiscal and Escrow Agents	0	1,211,877	0	0	0	0	1,211,877
Nondepreciable Capital Assets	8,151	8,500	0	0	0	6,560	23,211
Depreciable Capital Assets, Net	47,326	51,551	112,436	175,590	32,931	337,214	757,048
Total Non-Current Assets	55,477	1,278,282	121,325	176,066	32,931	358,422	2,022,503
Total Assets	364,505	1,349,191	238,161	197,276	43,398	1,457,312	3,649,843
Liabilities							
Current Liabilities:							
Accounts Payable	0	0	1,751	0	0	4,760	6,511
Accrued Wages and Benefits Payable	0	5,286	724	287	0	8,323	14,620
Compensated Absences Payable	0	2,850	311	123	0	4,601	7,885
Interfund Payable	0	0	36,000	0	0	98,851	134,851
Intergovernmental Payable	23,790	40,176	575	2,357	0	5,362	72,260
Total Current Liabilities	23,790	48,312	39,361	2,767	0	121,897	236,127
Current Liabilities Payable from Restricted Assets:							
Accrued Interest Payable	0	213	0	0	0	0	213
Current Portion of Mortgage Revenue Bonds Payable	0	10,000	0	0	0	0	10,000
Total Current Liabilities Payable from Restricted Assets	0	10,213	0	0	0	0	10,213
Long-Term Liabilities (Net of Current Portion):							
Refundable Deposits	0	6,354	8,889	476	0	14,648	30,367
Compensated Absences Payable	0	6,110	666	265	0	9,864	16,905
Total Long-Term Liabilities	0	12,464	9,555	741	0	24,512	47,272
Total Liabilities	23,790	70,989	48,916	3,508	0	146,409	293,612
Net Assets							
Invested in Capital Assets, Net of Related Debt	55,477	50,051	112,436	175,590	32,931	343,774	770,259
Restricted for:							
Replacement and Improvement	0	38,000	0	0	0	0	38,000
Unrestricted	285,238	1,190,151	76,809	18,178	10,467	967,129	2,547,972
Total Net Assets	\$340,715	\$1,278,202	\$189,245	\$193,768	\$43,398	\$1,310,903	\$3,356,231

Belmont County, Ohio
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Non-Major Enterprise Funds
For the Year Ended December 31, 2003

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
<u>Operating Revenues:</u>							
Charges for Services	\$248,595	\$0	\$56,554	\$23,485	\$2,072	\$883,272	\$1,213,978
Charges for Services - Mortgage Revenue Debt	0	245,650	0	0	0	0	245,650
Other	0	878	87	0	0	674	1,639
<i>Total Operating Revenues</i>	<u>248,595</u>	<u>246,528</u>	<u>56,641</u>	<u>23,485</u>	<u>2,072</u>	<u>883,946</u>	<u>1,461,267</u>
<u>Operating Expenses:</u>							
Personal Services	0	82,951	22,754	4,625	0	240,591	350,921
Contractual Services	334,626	210,564	13,184	5,129	0	657,268	1,220,771
Materials and Supplies	0	15,645	2,095	280	0	54,214	72,234
Other	0	3,293	649	2,252	0	6,129	12,323
Depreciation	2,720	2,988	6,984	9,740	1,370	20,471	44,273
<i>Total Operating Expenses</i>	<u>337,346</u>	<u>315,441</u>	<u>45,666</u>	<u>22,026</u>	<u>1,370</u>	<u>978,673</u>	<u>1,700,522</u>
<i>Operating Income (Loss)</i>	<u>(88,751)</u>	<u>(68,913)</u>	<u>10,975</u>	<u>1,459</u>	<u>702</u>	<u>(94,727)</u>	<u>(239,255)</u>
<u>Non-Operating Revenues (Expenses):</u>							
Interest	0	23,923	0	3,252	0	3,242	30,417
Interest and Fiscal Charges	0	(1,484)	0	(1,866)	0	0	(3,350)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>22,439</u>	<u>0</u>	<u>1,386</u>	<u>0</u>	<u>3,242</u>	<u>27,067</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(88,751)</u>	<u>(46,474)</u>	<u>10,975</u>	<u>2,845</u>	<u>702</u>	<u>(91,485)</u>	<u>(212,188)</u>
Capital Contributions	410	300	0	0	0	0	710
Transfers In	0	0	0	31,765	0	0	31,765
Transfers Out	0	0	0	0	0	(22,000)	(22,000)
<i>Change in Net Assets</i>	<u>(88,341)</u>	<u>(46,174)</u>	<u>10,975</u>	<u>34,610</u>	<u>702</u>	<u>(113,485)</u>	<u>(201,713)</u>
<i>Net Assets Beginning of Year</i>	<u>429,056</u>	<u>1,324,376</u>	<u>178,270</u>	<u>159,158</u>	<u>42,696</u>	<u>1,424,388</u>	<u>3,557,944</u>
<i>Net Assets End of Year</i>	<u>\$340,715</u>	<u>\$1,278,202</u>	<u>\$189,245</u>	<u>\$193,768</u>	<u>\$43,398</u>	<u>\$1,310,903</u>	<u>\$3,356,231</u>

Belmont County, Ohio
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2003

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents							
<u>Cash Flows from Operating Activities:</u>							
Cash Received from Customers	\$240,859	\$249,027	\$47,915	\$21,434	\$2,072	\$884,642	\$1,445,949
Cash Payments for Employee Services and Benefits	0	(86,308)	(22,493)	(4,542)	0	(241,110)	(354,453)
Cash Payments for Goods and Services	0	(15,617)	(2,095)	(280)	0	(59,965)	(77,957)
Cash Payments for Contractual Services	(336,573)	(207,603)	(12,954)	(3,674)	0	(652,497)	(1,213,301)
Utility Deposits Received	0	1,254	3,042	83	0	1,485	5,864
Utility Deposits Paid	0	(1,400)	(2,615)	(32)	0	(1,650)	(5,697)
Other Operating Revenues	0	878	87	0	0	674	1,639
Other Operating Expenses	0	(3,293)	(649)	(2,252)	0	(6,129)	(12,323)
Net Cash Provided by (Used for) Operating Activities	(95,714)	(63,062)	10,238	10,737	2,072	(74,550)	(210,279)
<u>Cash Flows from Noncapital Financing Activities:</u>							
Transfers In	0	0	0	1,573	0	0	1,573
<u>Cash Flows from Capital and Related Financing Activities:</u>							
Tap-In Fees	410	300	0	0	0	0	710
Principal Paid on Mortgage Revenue Bonds	0	(35,000)	0	0	0	0	(35,000)
Interest Paid on Mortgage Revenue Bonds	0	(1,909)	0	0	0	0	(1,909)
Principal Paid on General Obligation Bonds	0	0	0	(9,435)	0	0	(9,435)
Interest Paid on General Obligation Bonds	0	0	0	(1,866)	0	0	(1,866)
Net Cash Provided by (Used for) Capital and Related Financing Activities	410	(36,609)	0	(11,301)	0	0	(47,500)
<u>Cash Flows from Investing Activities:</u>							
Purchase of Investments	0	(1,222,090)	0	0	0	0	(1,222,090)
Sale of Investments	0	1,258,999	0	0	0	0	1,258,999
Interest on Investments	0	0	0	3,252	0	3,242	6,494
Net Cash Provided by Investing Activities	0	36,909	0	3,252	0	3,242	43,403
Net Increase (Decrease) in Cash and Cash Equivalents	(95,304)	(62,762)	10,238	4,261	2,072	(71,308)	(212,803)
Cash and Cash Equivalents Beginning of Year	373,896	122,826	101,781	12,418	8,395	1,100,011	1,719,327
Cash and Cash Equivalents End of Year	\$278,592	\$60,064	\$112,019	\$16,679	\$10,467	\$1,028,703	\$1,506,524
Reconciliation of Operating Income (Loss) to							
<u>Net Cash Provided by (Used for) Operating Activities:</u>							
Operating Income (Loss)	(\$88,751)	(\$68,913)	\$10,975	\$1,459	\$702	(\$94,727)	(\$239,255)
Adjustments to Reconcile Operating Income (Loss) to							
<u>Net Cash Provided by Operating Activities</u>							
Depreciation	2,720	2,988	6,984	9,740	1,370	20,471	44,273
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(7,736)	3,377	(13,706)	(2,051)	0	1,370	(18,746)
(Increase) Decrease in Materials and Supplies Inventory	0	28	0	0	0	(3,881)	(3,853)
Decrease in Interfund Receivable	0	0	5,067	0	0	0	5,067
Increase in Accrued Wages and Benefits Payable	0	522	103	41	0	1,065	1,731
Increase in Accounts Payable	0	0	230	0	0	1,250	1,480
Increase in Compensated Absences Payable	0	840	180	72	0	1,082	2,174
Increase (Decrease) in Intergovernmental Payable	2,559	(1,758)	(22)	1,425	0	(2,666)	(462)
Increase (Decrease) in Interfund Payable	(4,506)	0	0	0	0	1,651	(2,855)
Increase (Decrease) in Refundable Deposits Payable	0	(146)	427	51	0	(165)	167
Total Adjustments	(6,963)	5,851	(737)	9,278	1,370	20,177	28,976
Net Cash Provided by (Used for) Operating Activities	(\$95,714)	(\$63,062)	\$10,238	\$10,737	\$2,072	(\$74,550)	(\$210,279)

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Belmont County, Ohio
Fund Descriptions –
Agency Funds

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

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

Undivided Bankruptcy Fund – To account for delinquent taxes paid by Penn-Central Railroad which are awaiting distribution to appropriate parties.

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

Subdivision and Utility Fund – To account for taxes, shared revenues, and payments in lieu of taxes distributed to the various subdivisions within the County and County funds.

Undivided State Monies - To account for State revenue from income taxes, sales taxes, corporate franchise taxes and auto license taxes which is distributed to the municipalities, townships and other local governments.

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

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

- Belmont-Harrison Juvenile District Fund
- Ohio Elections Commission Fund
- Law Library Fund
- Soil and Conservation Special Fund
- Employee's Share Holding Account Fund
- Payroll Deductions Fund
- Mental Health Fund %
- Local Emergency Planning Commission Fund
- After Care Program Oakview Rehabilitation Fund
- Americorp Oakview Juvenile Rehabilitation Fund
- Oakview Juvenile Rehabilitation Fund
- Oakview Juvenile Rehabilitation Center Fund
- Escrow Oakview Residential Center Fund
- Housing Trust Fund
- Family and Children First Fund
- Alimony and Child Support Fund
- County Home Resident Trust Fund

Belmont County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Reductions	Balance 12/31/03
<i>Health:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$417,508	\$1,311,301	\$1,179,360	\$549,449
Total Assets	<u>\$417,508</u>	<u>\$1,311,301</u>	<u>\$1,179,360</u>	<u>\$549,449</u>
<u>Liabilities:</u>				
Undistributed Monies	\$417,508	\$1,311,301	\$1,179,360	\$549,449
Total Liabilities	<u>\$417,508</u>	<u>\$1,311,301</u>	<u>\$1,179,360</u>	<u>\$549,449</u>
<i>Undivided Bankruptcy:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$673	\$4,239	\$0	\$4,912
Total Assets	<u>\$673</u>	<u>\$4,239</u>	<u>\$0</u>	<u>\$4,912</u>
<u>Liabilities:</u>				
Undistributed Monies	\$673	\$4,239	\$0	\$4,912
Total Liabilities	<u>\$673</u>	<u>\$4,239</u>	<u>\$0</u>	<u>\$4,912</u>
<i>Taxes Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$3,073,621	\$41,690,021	\$43,163,649	\$1,599,993
Receivables:				
Taxes	41,998,516	44,920,511	41,998,516	44,920,511
Accounts	442,158	815,958	442,158	815,958
Intergovernmental	137,229	137,229	137,229	137,229
Total Assets	<u>\$45,651,524</u>	<u>\$87,563,719</u>	<u>\$85,741,552</u>	<u>\$47,473,691</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$42,577,903	\$45,873,698	\$42,577,903	\$45,873,698
Undistributed Monies	3,073,621	41,690,021	43,163,649	1,599,993
Total Liabilities	<u>\$45,651,524</u>	<u>\$87,563,719</u>	<u>\$85,741,552</u>	<u>\$47,473,691</u>

(Continued)

Belmont County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Reductions	Balance 12/31/03
<i>Subdivision and Utility Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$52,540	\$32,867,885	\$32,797,848	\$122,577
Receivables:				
Accounts	5	0	5	0
Intergovernmental	382,678	417,925	382,678	417,925
Total Assets	\$435,223	\$33,285,810	\$33,180,531	\$540,502
<u>Liabilities:</u>				
Intergovernmental Payable	\$382,683	\$417,925	\$382,683	\$417,925
Undistributed Monies	52,540	32,867,885	32,797,848	122,577
Total Liabilities	\$435,223	\$33,285,810	\$33,180,531	\$540,502
 <i>Undivided State Monies:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$253,521	\$8,773,339	\$8,673,107	\$353,753
Receivables:				
Intergovernmental	3,668,774	3,965,749	3,668,774	3,965,749
Total Assets	\$3,922,295	\$12,739,088	\$12,341,881	\$4,319,502
<u>Liabilities:</u>				
Intergovernmental Payable	\$3,668,774	\$3,965,749	\$3,668,774	\$3,965,749
Undistributed Monies	253,521	8,773,339	8,673,107	353,753
Total Liabilities	\$3,922,295	\$12,739,088	\$12,341,881	\$4,319,502
 <i>Miscellaneous Court/Safety:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents in				
Segregated Accounts	\$447,016	\$14,953,292	\$14,821,578	\$578,730
Receivables:				
Accounts	1,133,618	952,959	1,133,618	952,959
Total Assets	\$1,580,634	\$15,906,251	\$15,955,196	\$1,531,689
<u>Liabilities:</u>				
Due To Others	\$320,027	\$359,396	\$320,027	\$359,396
Intergovernmental Payable	294,200	291,199	294,200	291,199
Undistributed Monies	966,407	15,255,656	15,340,969	881,094
Total Liabilities	\$1,580,634	\$15,906,251	\$15,955,196	\$1,531,689

(Continued)

Belmont County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Reductions	Balance 12/31/03
<i>Other Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$3,960,563	\$55,130,413	\$55,878,593	\$3,212,383
Cash and				
Cash Equivalents in Segregated Accounts	11,420	325,394	321,545	15,269
Receivables:				
Accounts	12,569	0	12,569	0
Intergovernmental	32,998	0	32,998	0
Total Assets	\$4,017,550	\$55,455,807	\$56,245,705	\$3,227,652
<u>Liabilities:</u>				
Due To Others	\$427,165	\$42,429,291	\$42,370,499	\$485,957
Undistributed Monies	3,590,385	13,026,516	13,875,206	2,741,695
Total Liabilities	\$4,017,550	\$55,455,807	\$56,245,705	\$3,227,652
 <i>Total - All Agency Funds:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$7,758,426	\$139,777,198	\$141,692,557	\$5,843,067
Cash and				
Cash Equivalents in Segregated Accounts	458,436	15,278,686	15,143,123	593,999
Receivables:				
Taxes	41,998,516	44,920,511	41,998,516	44,920,511
Accounts	1,588,350	1,768,917	1,588,350	1,768,917
Intergovernmental	4,221,679	4,520,903	4,221,679	4,520,903
Total Assets	\$56,025,407	\$206,266,215	\$204,644,225	\$57,647,397
<u>Liabilities:</u>				
Due To Others	\$747,192	\$42,788,687	\$42,690,526	\$845,353
Intergovernmental Payable	46,923,560	50,548,571	46,923,560	50,548,571
Undistributed Monies	8,354,655	112,928,957	115,030,139	6,253,473
Total Liabilities	\$56,025,407	\$206,266,215	\$204,644,225	\$57,647,397

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

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$1,742,052	\$1,783,914	\$41,862
Permissive Sales Taxes	10,410,000	10,902,745	492,745
Charges for Services	1,789,370	2,077,176	287,806
Licenses and Permits	5,000	6,585	1,585
Fines and Forfeitures	500,000	436,995	(63,005)
Intergovernmental	1,372,192	1,177,828	(194,364)
Rent	5,000	7,479	2,479
Interest	908,100	679,549	(228,551)
Other	206,459	143,369	(63,090)
Total Revenues	16,938,173	17,215,640	277,467
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Commissioners			
Personal Services	582,300	574,350	7,950
Materials and Supplies	335,131	307,371	27,760
Contractual Services	1,280,405	1,279,975	430
Capital Outlay	142,838	138,897	3,941
Other	242,741	266,059	(23,318)
Total Commissioners	2,583,415	2,566,652	16,763
Auditor			
Personal Services	817,270	816,885	385
Materials and Supplies	154,976	154,969	7
Contractual Services	137,130	137,072	58
Capital Outlay	336,141	336,000	141
Total Auditor	1,445,517	1,444,926	591
Treasurer			
Personal Services	271,260	258,737	12,523
Materials and Supplies	11,110	9,942	1,168
Contractual Services	12,496	12,277	219
Total Treasurer	294,866	280,956	13,910
Prosecuting Attorney			
Personal Services	559,801	557,691	2,110
Materials and Supplies	5,789	5,781	8
Capital Outlay	1,764	0	1,764
Total Prosecuting Attorney	567,354	563,472	3,882
Budget Commission			
Personal Services	4,476	4,476	0
Bureau of Inspection			
Contractual Services	99,313	99,313	0

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003
(Continued)

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Personal Services	\$311,236	\$304,904	\$6,332
Materials and Supplies	20,000	13,999	6,001
Contractual Services	101,725	101,684	41
Total Board of Elections	432,961	420,587	12,374
Maintenance and Operations			
Personal Services	500,278	484,775	15,503
Materials and Supplies	129,135	126,724	2,411
Contractual Services	704,802	701,997	2,805
Capital Outlay	8,342	8,300	42
Total Maintenance and Operations	1,342,557	1,321,796	20,761
Recorder			
Personal Services	263,491	263,033	458
Materials and Supplies	22,786	21,537	1,249
Contractual Services	74,004	72,855	1,149
Total Recorder	360,281	357,425	2,856
Insurance on Property			
Contractual Service	366,500	366,401	99
Historical Society			
Contractual Services	3,000	3,000	0
Other			
Personal Services	477,584	477,190	394
Total General Government - Legislative and Executive	7,977,824	7,906,194	71,630
General Government - Judicial			
Court of Appeals			
Contractual Services	23,449	23,174	275
Common Pleas			
Personal Services	438,691	331,328	107,363
Materials and Supplies	101,344	100,950	394
Contractual Services	10,200	8,620	1,580
Total Common Pleas	550,235	440,898	109,337
Jury Commission			
Personal Services	1,209	809	400
Juvenile Court			
Materials and Supplies	4,350	2,535	1,815
Contractual Services	1,360	682	678
Total Juvenile Court	5,710	3,217	2,493

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003
(Continued)

	Final Budget	Actual	Variance Positive (Negative)
Probate Court			
Personal Services	\$231,523	\$231,364	\$159
Materials and Supplies	3,000	2,826	174
Contractual Services	4,681	4,676	5
Total Probate Court	239,204	238,866	338
Clerk of Courts			
Personal Services	295,883	295,460	423
Materials and Supplies	15,970	15,063	907
Total Clerk of Courts	311,853	310,523	1,330
County Courts			
Personal Services	475,853	466,063	9,790
Materials and Supplies	24,500	20,938	3,562
Contractual Services	17,300	16,424	876
Total County Courts	517,653	503,425	14,228
Public Defender			
Personal Services	227,865	227,483	382
Materials and Supplies	3,330	3,294	36
Contractual Services	158,244	157,824	420
Total Public Defender	389,439	388,601	838
Law Library			
Personal Services	33,249	33,249	0
Other			
Personal Services	242,301	242,101	200
Total General Government - Judicial	2,314,302	2,184,863	129,439
Public Safety			
Juvenile Probation			
Personal Services	747,952	599,092	148,860
Materials and Supplies	3,000	1,989	1,011
Contractual Services	8,000	7,009	991
Total Juvenile Probation	758,952	608,090	150,862
Coroner			
Personal Services	72,512	71,897	615
Materials and Supplies	1,000	0	1,000
Contractual Services	43,000	40,513	2,487
Total Coroner	116,512	112,410	4,102
Sheriff			
Personal Services	2,712,792	2,712,761	31
Materials and Supplies	269,255	269,420	(165)
Contractual Services	256,361	256,358	3
Total Sheriff	3,238,408	3,238,539	(131)

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003
(Continued)

	Final Budget	Actual	Variance Positive (Negative)
Disaster Services			
Personal Services	\$98,613	\$91,640	\$6,973
Materials and Supplies	36,664	36,664	0
Contractual Services	51,839	51,839	0
Total Disaster Services	<u>187,116</u>	<u>180,143</u>	<u>6,973</u>
911 Services			
Personal Services	542,110	541,945	165
Materials and Supplies	38,500	22,606	15,894
Contractual Services	345,336	336,441	8,895
Total 911 Services	<u>925,946</u>	<u>900,992</u>	<u>24,954</u>
Ambulance Service			
Contractual Services	170,000	170,000	0
Other			
Personal Services	621,563	621,049	514
Total Public Safety	<u>6,018,497</u>	<u>5,831,223</u>	<u>187,274</u>
Public Works			
Engineer			
Personal Services	257,713	250,091	7,622
Materials and Supplies	807	807	0
Contractual Services	51,469	51,469	0
Total Public Works	<u>309,989</u>	<u>302,367</u>	<u>7,622</u>
Health			
Clinics and Care			
Personal Services	38,448	37,974	474
Materials and Supplies	8,300	8,300	0
Contractual Services	500	466	34
Total Clinics and Care	<u>47,248</u>	<u>46,740</u>	<u>508</u>
Other Health			
Personal Services	5,670	5,665	5
Total Health	<u>52,918</u>	<u>52,405</u>	<u>513</u>
Human Services			
Soldier's Relief			
Personal Services	38,535	34,886	3,649
Contractual Services	120,500	115,174	5,326
Total Soldier's Relief	<u>159,035</u>	<u>150,060</u>	<u>8,975</u>

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003
(Continued)

	Final Budget	Actual	Variance Positive (Negative)
Veteran's Services			
Personal Services	\$138,413	\$132,088	\$6,325
Materials and Supplies	32,700	31,315	1,385
Total Veteran's Services	171,113	163,403	7,710
Other			
Personal Services	23,569	23,550	19
Total Human Services	353,717	337,013	16,704
Other			
Other Expenditures			
Contractual Services	8,030	7,385	645
Capital Outlay			
Capital Outlay	364,531	364,531	0
Intergovernmental:			
Contractual Services	1,007,435	1,006,251	1,184
Debt Service:			
Principal Retirement	500,000	500,000	0
Interest and Fiscal Charges	10,998	10,998	0
Total Debt Service	510,998	510,998	0
Total Expenditures	18,918,241	18,503,230	415,011
Excess of Revenues Under Expenditures	(1,980,068)	(1,287,590)	692,478
<i><u>Other Financing Sources (Uses):</u></i>			
Bond Anticipation Notes Issued	500,000	500,000	0
Sale of Assets	14,295	14,295	0
Advance In	59,747	78,748	19,001
Advance Out	(85,000)	(85,000)	0
Transfers - In	33,432	0	(33,432)
Transfers - Out	(2,673,071)	(2,563,043)	110,028
Total Other Financing Sources (Uses)	(2,150,597)	(2,055,000)	95,597
Net Change in Fund Balance	(4,130,665)	(3,342,590)	788,075
Fund Balance at Beginning of Year	1,348,272	1,348,272	0
Prior Year Encumbrances Appropriated	3,154,256	3,154,256	0
Fund Balance at End of Year	\$371,863	\$1,159,938	\$788,075

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Intergovernmental	\$10,364,863	\$10,086,789	(\$278,074)
Other	489,423	593,308	103,885
Total Revenues	10,854,286	10,680,097	(174,189)
<i><u>Expenditures:</u></i>			
Current:			
Human Services			
Public Assistance			
Personal Services	8,676,077	7,902,889	773,188
Materials and Supplies	435,000	338,882	96,118
Contractual Services	2,847,945	2,245,723	602,222
Total Expenditures	11,959,022	10,487,494	1,471,528
Excess of Revenues Over (Under) Expenditures	(1,104,736)	192,603	1,297,339
<i><u>Other Financing Source:</u></i>			
Transfers In	342,877	342,877	0
Net Change in Fund Balance	(761,859)	535,480	1,297,339
Fund Balance at Beginning of Year	760,459	760,459	0
Prior Year Encumbrances Appropriated	1,400	1,400	0
Fund Balance at End of Year	\$0	\$1,297,339	\$1,297,339

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$3,766,313	\$4,293,779	\$527,466
Charges for Services	32,853	32,499	(354)
Intergovernmental	2,586,016	3,870,452	1,284,436
Other	17,147	27,946	10,799
Total Revenues	<u>6,402,329</u>	<u>8,224,676</u>	<u>1,822,347</u>
<u>Expenditures:</u>			
Current:			
Health Services			
Mental Retardation			
Personal Services	4,979,426	4,932,851	46,575
Materials and Supplies	471,586	389,425	82,161
Contractual Services	2,752,084	2,244,266	507,818
Capital Outlay	672,998	338,104	334,894
Total Expenditures	<u>8,876,094</u>	<u>7,904,646</u>	<u>971,448</u>
Excess of Revenues Over (Under) Expenditures	(2,473,765)	320,030	2,793,795
<u>Other Financing Use:</u>			
Transfers Out	<u>(505,358)</u>	<u>0</u>	<u>505,358</u>
Net Change in Fund Balance	(2,979,123)	320,030	3,299,153
Fund Balance at Beginning of Year	2,593,223	2,593,223	0
Prior Year Encumbrances Appropriated	<u>385,900</u>	<u>385,900</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$3,299,153</u></u>	<u><u>\$3,299,153</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Infrastructure Fund
For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i><u>Revenues:</u></i>			
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i><u>Expenditures:</u></i>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
<i><u>Other Financing Source:</u></i>			
Transfers In	<u>0</u>	<u>1,135,000</u>	<u>1,135,000</u>
Net Change in Fund Balance	0	1,135,000	1,135,000
Fund Balance at Beginning of Year	<u>3,669,472</u>	<u>3,669,472</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,669,472</u></u>	<u><u>\$4,804,472</u></u>	<u><u>\$1,135,000</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Park Health Center Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$5,302,033	\$5,429,342	\$127,309
Other Non-Operating Revenue	11,259	11,055	(204)
Total Revenues	5,313,292	5,440,397	127,105
<i>Expenses:</i>			
Personal Services	3,746,168	3,745,824	344
Contractual Services	1,105,900	1,009,710	96,190
Materials and Supplies	453,000	451,050	1,950
Other	51,563	43,830	7,733
Debt Service:			
Principal Retirement	185,000	185,000	0
Interest and Fiscal Charges	166,210	166,210	0
Total Expenses	5,707,841	5,601,624	106,217
Excess of Revenues Under Expenses	(394,549)	(161,227)	233,322
Advances In	96,708	35,000	(61,708)
Advances Out	(95,000)	0	95,000
Net Change in Fund Equity	(392,841)	(126,227)	266,614
Fund Equity at Beginning of Year	389,841	389,841	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
Fund Equity at End of Year	\$0	\$266,614	\$266,614

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 2 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$650,682	\$1,151,180	\$500,498
Tap-In Fees	4,200	4,200	0
Interest Income	0	38,708	38,708
Other Operating Revenue	25,848	962	(24,886)
Other Non-Operating Revenue	0	1,310	1,310
Proceeds of Notes	5,900,000	5,900,000	0
Premium on Bonds	0	1,792	1,792
Refunding Bonds Issued	249,594	250,000	406
Total Revenues	6,830,324	7,348,152	517,828
<i><u>Expenses:</u></i>			
Personal Services	232,397	222,488	9,909
Contractual Services	1,055,216	316,520	738,696
Materials and Supplies	84,500	25,525	58,975
Other Non-Operating Expenses	8,352	867	7,485
Other Operating Expenses	13,144	10,340	2,804
Capital Outlay	440,648	440,648	0
Debt Service:			
Principal Retirement	6,166,878	6,165,565	1,313
Interest and Fiscal Charges	185,448	142,596	42,852
Issuance Costs	773	3,343	(2,570)
Payment to Refunded Bond Escrow Agent	242,400	242,400	0
Total Expenses	8,429,756	7,570,292	859,464
Excess of Revenues Under Expenses	(1,599,432)	(222,140)	1,377,292
Transfers Out	(151,193)	(1,573)	149,620
Net Change in Fund Equity	(1,750,625)	(223,713)	1,526,912
Fund Equity at Beginning of Year	1,871,727	1,871,727	0
Prior Year Encumbrances Appropriated	3,519	3,519	0
Fund Equity at End of Year	\$124,621	\$1,651,533	\$1,526,912

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 3 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$1,951,511	\$2,878,967	\$927,456
Tap-In Fees	48,489	48,489	0
Interest Income	70,508	91,423	20,915
Other Operating Revenue	0	7,539	7,539
Other Non-Operating Revenue	0	6,396	6,396
Proceeds of Notes	3,175,000	3,175,000	0
Premium on Bonds	0	5,258	5,258
Refunding Bonds Issued	956,815	960,000	3,185
Total Revenues	6,202,323	7,173,072	970,749
<i><u>Expenses:</u></i>			
Personal Services	1,091,116	719,675	371,441
Contractual Services	651,797	487,953	163,844
Materials and Supplies	440,000	237,458	202,542
Other Non-Operating Expenses	33,420	6,305	27,115
Other Operating Expenses	14,579	13,753	826
Capital Outlay	2,520,911	1,461,438	1,059,473
Debt Service:			
Principal Retirement	2,710,723	2,410,551	300,172
Interest and Fiscal Charges	475,277	473,854	1,423
Issuance Costs	3,111	12,985	(9,874)
Payment to Refunded Bond Escrow Agent	934,250	934,250	0
Total Expenses	8,875,184	6,758,222	2,116,962
Excess of Revenues Over (Under) Expenses	(2,672,861)	414,850	3,087,711
Transfers In	471,247	0	(471,247)
Transfers Out	(1,689,495)	0	1,689,495
Net Change in Fund Equity	(3,891,109)	414,850	4,305,959
Fund Equity at Beginning of Year	4,046,491	4,046,491	0
Prior Year Encumbrances Appropriated	12,837	12,837	0
Fund Equity at End of Year	\$168,219	\$4,474,178	\$4,305,959

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Special Revenue Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$506,471	\$1,027,876	\$521,405
Licenses and Permits	191,919	185,322	(6,597)
Fines and Forfeitures	201,200	1,605	(199,595)
Intergovernmental	988,198	1,167,280	179,082
Rent	80,000	122,812	42,812
Other	76,320	90,167	13,847
Total Revenues	2,044,108	2,595,062	550,954
<i><u>Expenditures:</u></i>			
Current:			
General Government -			
Legislative and Executive			
Real Estate Assessment			
Personal Services	249,786	203,841	45,945
Materials and Supplies	5,000	0	5,000
Contractual Services	202,940	179,340	23,600
Total Real Estate Assessment	457,726	383,181	74,545
Supplement Equipment Recorder			
Personal Services	55,100	47,116	7,984
Delinquent Real Estate Tax and Assessment Collection			
Personal Services	65,754	45,237	20,517
Materials and Supplies	6,000	1,557	4,443
Contractual Services	33,320	32,331	989
Capital Outlay	12,683	12,683	0
Total Delinquent Real Estate Tax and Assessment Collection	117,757	91,808	25,949
Total General Government - Legislative and Executive	630,583	522,105	108,478
General Government - Judicial			
Certificate of Title Administration			
Personal Services	360,225	324,020	36,205
Materials and Supplies	14,667	7,427	7,240
Contractual Services	21,363	5,681	15,682
Total Certificate of Title Administration	396,255	337,128	59,127
Total General Government - Judicial	396,255	337,128	59,127

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Special Revenue Fund (Continued)
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
Public Safety			
Commissary			
Materials and Supplies	\$84,099	\$80,575	\$3,524
Total Public Safety	<u>84,099</u>	<u>80,575</u>	<u>3,524</u>
Public Works			
Litter/Recycling/Waste Disposal			
Personal Services	87,859	86,377	1,482
Materials and Supplies	47,820	40,683	7,137
Contractual Services	7,584	7,584	0
Total Litter/Recycling/Waste Disposal	<u>143,263</u>	<u>134,644</u>	<u>8,619</u>
County Emergency Preparedness			
Contractual Services	39,922	39,649	273
Capital Outlay	61,944	61,944	0
Total County Emergency Preparedness	<u>101,866</u>	<u>101,593</u>	<u>273</u>
Total Public Works	<u>245,129</u>	<u>236,237</u>	<u>8,892</u>
Health			
Dog and Kennel			
Personal Services	173,772	163,912	9,860
Materials and Supplies	7,246	5,166	2,080
Contractual Services	40,517	40,421	96
Other	29,183	26,514	2,669
Total Dog and Kennel	<u>250,718</u>	<u>236,013</u>	<u>14,705</u>
Marriage License			
Contractual Services	25,592	25,592	0
Total Health	<u>276,310</u>	<u>261,605</u>	<u>14,705</u>
Human Services			
Child Support Enforcement Agency			
Personal Services	758,228	709,996	48,232
Contractual Services	264,190	222,765	41,425
Total Child Support Enforcement Agency	<u>1,022,418</u>	<u>932,761</u>	<u>89,657</u>
Oakview Administration			
Materials and Supplies	135,000	101,781	33,219

(Continued)

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Special Revenue Fund (Continued)
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
County Home Special Contractual Services	\$3,360	\$1,344	\$2,016
Total Human Services	1,160,778	1,035,886	124,892
Total Expenditures	2,793,154	2,473,536	319,618
Excess of Revenues Over (Under) Expenditures	(749,046)	121,526	870,572
<i><u>Other Financing Sources (Uses):</u></i>			
Advances In	0	30,000	30,000
Advances Out	(19,000)	(19,000)	0
Transfers In	113,080	113,080	0
Total Other Financing Sources (Uses)	94,080	124,080	30,000
Net Change in Fund Balance	(654,966)	245,606	900,572
Fund Balance at Beginning of Year	1,518,949	1,518,949	0
Prior Year Encumbrances Appropriated	152,372	152,372	0
Fund Balance at End of Year	<u>\$1,016,355</u>	<u>\$1,916,927</u>	<u>\$900,572</u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$2,535	\$16,599	\$14,064
Fines and Forfeitures	0	12,861	12,861
Intergovernmental	349,760	366,658	16,898
Other	9,760	6,860	(2,900)
Total Revenues	<u>362,055</u>	<u>402,978</u>	<u>40,923</u>
<i><u>Expenditures:</u></i>			
Current:			
Public Safety			
Law Enforcement			
Personal Services	426,024	386,351	39,673
Materials and Supplies	29,627	16,036	13,591
Contractual Services	56,445	24,441	32,004
Other	18,885	13,273	5,612
Total Expenditures	<u>530,981</u>	<u>440,101</u>	<u>90,880</u>
Excess of Revenues Under Expenditures	(168,926)	(37,123)	131,803
<i><u>Other Financing Source:</u></i>			
Advances In	20,000	20,000	0
Net Change in Fund Balance	(148,926)	(17,123)	131,803
Fund Balance at Beginning of Year	267,457	267,457	0
Prior Year Encumbrances Appropriated	404	404	0
Fund Balance at End of Year	<u><u>\$118,935</u></u>	<u><u>\$250,738</u></u>	<u><u>\$131,803</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Road and Bridge Fund
For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i><u>Revenues:</u></i>			
Permissive Sales Taxes	\$500,000	\$500,000	\$0
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Road and Bridge			
Contractual Services	<u>601,673</u>	<u>557,874</u>	<u>43,799</u>
Net Change in Fund Balance	(101,673)	(57,874)	43,799
Fund Balance at Beginning of Year	14,013	14,013	0
Prior Year Encumbrances Appropriated	<u>87,660</u>	<u>87,660</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$43,799</u></u>	<u><u>\$43,799</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency 911 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Favorable (Unfavorable)
<i><u>Revenues:</u></i>			
Charges for Services	\$0	\$109,564	\$109,564
Other	0	1,899	1,899
Total Revenues	<u>0</u>	<u>111,463</u>	<u>111,463</u>
<i><u>Expenditures:</u></i>			
Current:			
Public Safety			
911 Emergency			
Contractual Services	667,719	275,316	392,403
Capital Outlay	400,000	370,043	29,957
Total Expenditures	<u>1,067,719</u>	<u>645,359</u>	<u>422,360</u>
Net Change in Fund Balance	(1,067,719)	(533,896)	533,823
Fund Balance at Beginning of Year	732,745	732,745	0
Prior Year Encumbrances Appropriated	<u>367,719</u>	<u>367,719</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$32,745</u></u>	<u><u>\$566,568</u></u>	<u><u>\$533,823</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lodging Excise Tax Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$200,000	\$264,495	\$64,495
<u>Expenditures:</u>			
Current:			
Economic Development and Assistance			
Lodging Excise Tax			
Personal Services	6,200	6,162	38
Contractual Services	213,500	210,071	3,429
Total Expenditures	219,700	216,233	3,467
Net Change in Fund Balance	(19,700)	48,262	67,962
Fund Balance at Beginning of Year	250,900	250,900	0
Fund Balance at End of Year	\$231,200	\$299,162	\$67,962

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Licenses and Permits	\$0	\$209,193	\$209,193
Fines and Forfeitures	100,000	98,814	(1,186)
Intergovernmental	2,391,455	3,737,540	1,346,085
Interest	0	6,010	6,010
Other	0	7,084	7,084
Total Revenues	2,491,455	4,058,641	1,567,186
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Motor Vehicle and Gasoline Tax			
Personal Services	2,499,839	2,475,294	24,545
Materials and Supplies	1,279,818	1,227,860	51,958
Contractual Services	489,349	462,688	26,661
Capital Outlay	370,218	370,218	0
Total Expenditures	4,639,224	4,536,060	103,164
Excess of Revenues Under Expenditures	(2,147,769)	(477,419)	1,670,350
<i><u>Other Financing Sources (Uses):</u></i>			
Transfers In	1,521,850	0	(1,521,850)
Transfers Out	(187,571)	(187,571)	0
Total Other Financing Sources (Uses)	1,334,279	(187,571)	(1,521,850)
Net Change in Fund Balance	(813,490)	(664,990)	148,500
Fund Balance at Beginning of Year	832,650	832,650	0
Prior Year Encumbrances Appropriated	286,757	286,757	0
Fund Balance at End of Year	\$305,917	\$454,417	\$148,500

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Court Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$322,104	\$322,261	\$157
Fines and Forfeitures	37,830	37,867	37
Intergovernmental	247,825	249,244	1,419
Other	2,618	1,533	(1,085)
Total Revenues	610,377	610,905	528
<i><u>Expenditures:</u></i>			
Current:			
Public Safety			
Juvenile Court			
Personal Services	399,130	288,654	110,476
Materials and Supplies	19,472	14,007	5,465
Contractual Services	251,760	214,184	37,576
Other	37,051	2,440	34,611
Total Expenditures	707,413	519,285	188,128
Excess of Revenues Over (Under) Expenditures	(97,036)	91,620	188,656
<i><u>Other Financing Sources (Uses):</u></i>			
Advance In	86,733	0	(86,733)
Advance Out	(150,561)	(59,748)	90,813
Total Other Financing Sources (Uses)	(63,828)	(59,748)	4,080
Net Change in Fund Balance	(160,864)	31,872	192,736
Fund Balance at Beginning of Year	161,525	161,525	0
Prior Year Encumbrances Appropriated	127	127	0
Fund Balance at End of Year	\$788	\$193,524	\$192,736

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$769,764	\$769,764	\$0
Intergovernmental	<u>160,695</u>	<u>160,695</u>	<u>0</u>
Total Revenues	930,459	930,459	0
<u>Expenditures:</u>			
Current:			
Intergovernmental			
Contractual Services	<u>930,459</u>	<u>930,459</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
In - Home Care Levy Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Property and Other Local Taxes	\$1,053,455	\$1,228,205	\$174,750
Intergovernmental	<u>246,545</u>	<u>246,545</u>	<u>0</u>
Total Revenues	1,300,000	1,474,750	174,750
<i><u>Expenditures:</u></i>			
Current:			
Health			
In Home Care Levy			
Contractual Services	<u>2,300,000</u>	<u>2,218,987</u>	<u>81,013</u>
Net Change in Fund Balance	(1,000,000)	(744,237)	255,763
Fund Balance at Beginning of Year	1,404,912	1,404,912	0
Prior Year Encumbrances Appropriated	<u>300,001</u>	<u>300,001</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$704,913</u></u>	<u><u>\$960,676</u></u>	<u><u>\$255,763</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Property and Other Local Taxes	\$265,942	\$370,772	\$104,830
Charges for Services	349,665	474,806	125,141
Intergovernmental	2,732,411	2,061,836	(670,575)
Other	0	7,602	7,602
Total Revenues	3,348,018	2,915,016	(433,002)
<i><u>Expenditures:</u></i>			
Current:			
Human Services			
Children Services			
Personal Services	876,026	871,866	4,160
Contractual Services	2,396,026	2,277,469	118,557
Other	477,188	97,363	379,825
Total Expenditures	3,749,240	3,246,698	502,542
Excess of Revenues Under Expenditures	(401,222)	(331,682)	69,540
<i><u>Other Financing Use:</u></i>			
Transfers Out	(397,286)	0	397,286
Net Change in Fund Balance	(798,508)	(331,682)	466,826
Fund Balance at Beginning of Year	801,459	801,459	0
Fund Balance at End of Year	\$2,951	\$469,777	\$466,826

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
County Courts Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Fines and Forfeitures	\$141,913	\$478,504	\$336,591
<u>Expenditures:</u>			
Current:			
General Government - Judicial			
County Courts			
Personal Services	193,555	160,533	33,022
Materials and Supplies	186,662	52,154	134,508
Contractual Services	286,134	99,602	186,532
Capital Outlay	116,325	94,276	22,049
Total County Courts	782,676	406,565	376,111
Debt Service			
Principal Retirement	125,000	125,000	0
Interest and Fiscal Charges	2,393	2,393	0
Total Debt Service	127,393	127,393	0
Total Expenditures	910,069	533,958	376,111
Excess of Revenues Under Expenditures	(768,156)	(55,454)	712,702
<u>Other Financing Sources (Uses):</u>			
Proceeds of Notes	187,393	175,000	(12,393)
Transfers In	5,354	14,893	9,539
Transfers Out	(17,541)	(17,541)	0
Total Other Financing Sources (Uses)	175,206	172,352	(2,854)
Net Change in Fund Balance	(592,950)	116,898	709,848
Fund Balance at Beginning of Year	579,589	579,589	0
Prior Year Encumbrances Appropriated	14,089	14,089	0
Fund Balance at End of Year	<u>\$728</u>	<u>\$710,576</u>	<u>\$709,848</u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Commissioners CDBG Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Intergovernmental	\$376,491	\$401,040	\$24,549
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Commissioners CDBG			
Contractual Services	421,497	421,491	6
Net Change in Fund Balance	(45,006)	(20,451)	24,555
Fund Balance at Beginning of Year	45,005	45,005	0
Fund Balance at End of Year	(\$1)	\$24,554	\$24,555

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Rent	\$76,206	\$83,824	\$7,618
Interest	54,633	57,292	2,659
 Total Revenues	 130,839	 141,116	 10,277
<i><u>Expenditures:</u></i>			
Debt Service			
Principal Retirement	352,142	352,142	0
Interest and Fiscal Charges	219,263	218,884	379
Issuance Costs	6,065	24,421	(18,356)
 Total Debt Service	 577,470	 595,447	 (17,977)
 Excess of Revenues Under Expenditures	 (446,631)	 (454,331)	 (7,700)
<i><u>Other Financing Sources (Uses):</u></i>			
Refunding Bonds Issued	1,773,359	1,785,000	11,641
Premium on Bonds	0	7,213	7,213
Discount on Bonds	0	(3,157)	(3,157)
Payment to Refunded Bond Escrow Agent	(1,732,150)	(1,732,150)	0
Transfers In	414,734	414,734	0
 Total Other Financing Sources (Uses)	 455,943	 471,640	 15,697
 Net Change in Fund Balance	 9,312	 17,309	 7,997
 Fund Balance at Beginning of Year	 26,882	 26,882	 0
 Fund Balance at End of Year	 \$36,194	 \$44,191	 \$7,997

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Interest	\$0	\$65	\$65
<i><u>Expenditures:</u></i>			
Capital Outlay			
Permanent Improvement			
Contractual Services	451	0	451
Debt Service			
Principal Retirement	1,487,322	1,440,000	47,322
Interest and Fiscal Charges	36,622	34,115	2,507
Total Debt Service	1,523,944	1,474,115	49,829
Total Expenditures	1,524,395	1,474,115	50,280
Excess of Revenues Under Expenditures	(1,524,395)	(1,474,050)	50,345
<i><u>Other Financing Sources:</u></i>			
Proceeds of Notes	1,280,000	1,280,000	0
Transfers In	187,571	747,571	560,000
Total Other Financing Sources	1,467,571	2,027,571	560,000
Net Change in Fund Balance	(56,824)	553,521	610,345
Fund Balance at Beginning of Year	1,179,880	1,179,880	0
Fund Balance at End of Year	\$1,123,056	\$1,733,401	\$610,345

Belmont County, Ohio
 Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Issue 2 Fund
 For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i><u>Revenues:</u></i>			
Intergovernmental	\$177,027	\$177,027	\$0
<i><u>Expenditures:</u></i>			
Capital Outlay			
Issue Two			
Contractual Services	<u>177,027</u>	<u>177,027</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Satellite Building Construction Fund
For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Rent	\$0	\$23,957	\$23,957
Interest	0	17,410	17,410
Other	0	603	603
Total Revenues	<u>0</u>	<u>41,970</u>	<u>41,970</u>
<i><u>Expenditures:</u></i>			
Capital Outlay			
Satellite Building Construction			
Contractual Services	<u>303,625</u>	<u>115,301</u>	<u>188,324</u>
Debt Service			
Principal Retirement	1,500,000	1,500,000	0
Interest and Fiscal Charges	<u>37,771</u>	<u>33,467</u>	<u>4,304</u>
Total Debt Service	<u>1,537,771</u>	<u>1,533,467</u>	<u>4,304</u>
Total Expenditures	<u>1,841,396</u>	<u>1,648,768</u>	<u>192,628</u>
Excess of Revenues Under Expenditures	(1,841,396)	(1,606,798)	234,598
<i><u>Other Financing Source:</u></i>			
Proceeds of Notes	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Net Change in Fund Balance	(341,396)	(106,798)	234,598
Fund Balance at Beginning of Year	1,197,114	1,197,114	0
Prior Year Encumbrances Appropriated	<u>13,002</u>	<u>13,002</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$868,720</u></u>	<u><u>\$1,103,318</u></u>	<u><u>\$234,598</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 1 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$149,590	\$239,969	\$90,379
Tap-In Fees	410	410	0
Total Revenues	150,000	240,379	90,379
<i><u>Expenses:</u></i>			
Contractual Services	504,926	431,573	73,353
Net Change in Fund Equity	(354,926)	(191,194)	163,732
Fund Equity at Beginning of Year	221,926	221,926	0
Prior Year Encumbrances Appropriated	133,000	133,000	0
Fund Equity at End of Year	<u>\$0</u>	<u>\$163,732</u>	<u>\$163,732</u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 1 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$223,739	\$249,027	\$25,288
Tap-In Fees	300	300	0
Other Operating Revenue	865	878	13
Other Non-Operating Revenue	0	1,254	1,254
Total Revenues	<u>224,904</u>	<u>251,459</u>	<u>26,555</u>
<i><u>Expenses:</u></i>			
Personal Services	94,931	86,308	8,623
Contractual Services	215,552	207,603	7,949
Materials and Supplies	26,376	15,617	10,759
Other	4,371	3,293	1,078
Other Non-Operating Expenses	6,500	1,400	5,100
Total Expenses	<u>347,730</u>	<u>314,221</u>	<u>33,509</u>
Net Change in Fund Equity	(122,826)	(62,762)	60,064
Fund Equity at Beginning of Year	<u>122,826</u>	<u>122,826</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$60,064</u></u>	<u><u>\$60,064</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3A Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$29,913	\$47,915	\$18,002
Other Operating Revenue	87	87	0
Other Non-Operating Revenue	0	3,042	3,042
Total Revenues	30,000	51,044	21,044
<i>Expenses:</i>			
Personal Services	45,818	22,493	23,325
Contractual Services	34,986	13,904	21,082
Materials and Supplies	13,169	2,095	11,074
Other Non-Operating Expenses	8,462	2,615	5,847
Other Operating Expenses	19,346	649	18,697
Total Expenses	121,781	41,756	80,025
Excess of Revenues Over (Under) Expenses	(91,781)	9,288	101,069
Transfers Out	(10,000)	0	10,000
Net Change in Fund Equity	(101,781)	9,288	111,069
Fund Equity at Beginning of Year	101,781	101,781	0
Fund Equity at End of Year	<u>\$0</u>	<u>\$111,069</u>	<u>\$111,069</u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3B Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$15,000	\$21,434	\$6,434
Interest Income	3,252	3,252	0
Other Non-Operating Revenue	0	83	83
Total Revenues	18,252	24,769	6,517
<i>Expenses:</i>			
Personal Services	4,838	4,542	296
Contractual Services	6,469	3,674	2,795
Materials and Supplies	575	280	295
Other Non-Operating Expenses	425	32	393
Other Operating Expenses	5,182	2,252	2,930
Debt Service:			
Principal Retirement	8,122	9,435	(1,313)
Interest and Fiscal Charges	1,606	1,866	(260)
Total Expenses	27,217	22,081	5,136
Excess of Revenues Over (Under) Expenses	(8,965)	2,688	11,653
Transfers In	0	1,573	1,573
Transfers Out	(200)	0	200
Net Change in Fund Equity	(9,165)	4,261	13,426
Fund Equity at Beginning of Year	12,418	12,418	0
Fund Equity at End of Year	\$3,253	\$16,679	\$13,426

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3C Fund
For the Year Ended December 31, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i><u>Revenues:</u></i>			
Charges for Services	\$5,000	\$2,072	(\$2,928)
<i><u>Expenses:</u></i>			
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenses	5,000	2,072	(2,928)
Transfers Out	<u>(13,395)</u>	<u>0</u>	<u>13,395</u>
Net Change in Fund Equity	(8,395)	2,072	10,467
Fund Equity at Beginning of Year	<u>8,395</u>	<u>8,395</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$10,467</u></u>	<u><u>\$10,467</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 2 Fund
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$749,528	\$884,642	\$135,114
Interest Income	0	3,342	3,342
Other Operating Revenue	134	674	540
Other Non-Operating Revenue	0	1,485	1,485
Total Revenues	<u>749,662</u>	<u>890,143</u>	<u>140,481</u>
<i>Expenses:</i>			
Personal Services	346,205	241,110	105,095
Contractual Services	1,351,081	652,840	698,241
Materials and Supplies	75,462	61,544	13,918
Other Non-Operating Expenses	14,813	1,650	13,163
Other Operating Expenses	10,389	6,129	4,260
Total Expenses	<u>1,797,950</u>	<u>963,273</u>	<u>834,677</u>
Excess of Revenues Under Expenses	(1,048,288)	(73,130)	975,158
Transfers Out	<u>(42,000)</u>	<u>0</u>	<u>42,000</u>
Net Change in Fund Equity	(1,090,288)	(73,130)	1,017,158
Fund Equity at Beginning of Year	1,090,288	1,090,288	0
Prior Year Encumbrances Appropriated	<u>9,367</u>	<u>9,367</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$9,367</u></u>	<u><u>\$1,026,525</u></u>	<u><u>\$1,017,158</u></u>

Statistical Section



An old-fashioned wedding was performed when the Ohio Bicentennial Wagon Train visited St. Clairsville.



The period dress and cooking over a fire was experienced by many as they traveled back into time with the Ohio Bicentennial Wagon Train.

Statistical Section

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the County.

Belmont County, Ohio
General Governmental Expenditures By Function (1)
Last Ten Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Government:				
Legislative and Executive	\$6,083,730	\$6,169,257	\$6,176,145	\$5,983,187
Judicial	2,788,251	3,087,798	3,175,540	2,428,572
Public Safety	6,776,390	6,990,082	6,155,662	6,535,237
Public Works	5,558,015	5,259,793	5,347,480	5,154,302
Health	9,490,942	9,350,695	8,993,243	8,622,523
Human Services	14,669,348	16,025,186	17,411,734	16,930,171
Economic Development and Assistance	199,388	214,004	185,988	236,848
Other	7,385	70,599	154,725	12,877
Capital Outlay	1,396,148	2,594,580	3,360,123	1,388,064
Intergovernmental	1,951,735	1,299,529	1,598,577	1,502,824
Debt Service	<u>1,331,280</u>	<u>821,229</u>	<u>953,177</u>	<u>871,509</u>
Total Expenditures	<u><u>\$50,252,612</u></u>	<u><u>\$51,882,752</u></u>	<u><u>\$53,512,394</u></u>	<u><u>\$49,666,114</u></u>

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

Tables presenting revenues and expenses of governmental activities will be presented when sufficient data is available to create meaningful comparisons.

Source: Belmont County Auditor's Office

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$5,670,302	\$5,331,289	\$5,318,874	\$4,233,017	\$3,921,441	\$3,971,919
2,505,053	2,111,035	1,805,575	1,775,612	1,815,486	1,654,904
8,063,661	7,652,682	4,394,773	3,040,812	2,398,103	2,112,562
5,306,216	4,707,255	3,986,521	5,591,739	4,167,109	4,696,274
6,895,673	6,277,363	6,172,397	5,957,070	6,242,388	6,169,986
14,649,887	13,303,681	11,453,123	10,744,011	9,652,707	8,895,322
250,420	135,190	133,314	164,728	133,645	108,451
10,005	8,887	3,577	20	9,618	0
3,159,859	2,317,852	1,505,552	4,061,488	4,927,466	1,254,128
1,445,760	1,355,458	1,675,489	1,621,641	1,397,634	1,184,052
<u>842,626</u>	<u>799,499</u>	<u>663,858</u>	<u>596,900</u>	<u>551,244</u>	<u>481,256</u>
<u><u>\$48,799,462</u></u>	<u><u>\$44,000,191</u></u>	<u><u>\$37,113,053</u></u>	<u><u>\$37,787,038</u></u>	<u><u>\$35,216,841</u></u>	<u><u>\$30,528,854</u></u>

Belmont County, Ohio
General Government Revenues By Source (1)
Last Ten Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Taxes	\$8,747,834	\$8,452,976	\$9,176,273	\$8,679,961
Permissive Sales Tax	11,551,273	12,164,190	11,073,479	10,439,029
Charges for Services	4,416,547	3,753,785	3,648,773	3,586,695
Licenses and Permits	400,212	166,680	173,455	136,912
Fines and Forfeitures	1,057,787	1,524,680	1,422,726	1,275,964
Intergovernmental	22,990,980	26,462,580	23,882,811	24,059,626
Interest	745,299	1,076,950	1,886,106	2,020,048
Rent	238,072	259,601	289,567	252,975
Other	<u>436,823</u>	<u>2,008,539</u>	<u>1,515,250</u>	<u>1,522,666</u>
Total Revenues	<u><u>\$50,584,827</u></u>	<u><u>\$55,869,981</u></u>	<u><u>\$53,068,440</u></u>	<u><u>\$51,973,876</u></u>

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

Tables presenting revenues and expenses of governmental activities will be presented when sufficient data is available to create meaningful comparisons.

Source: Belmont County Auditor's Office

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
\$6,995,841	\$6,689,018	\$5,692,443	\$5,766,745	\$5,401,744	\$5,199,041
10,292,926	9,766,722	9,204,245	8,302,678	7,395,112	4,900,376
3,663,224	3,078,449	2,840,054	2,152,391	2,147,543	2,027,993
142,019	152,337	145,325	139,813	127,137	119,770
1,224,914	1,154,692	976,711	911,911	888,204	876,202
21,881,140	20,386,557	18,691,589	20,264,428	16,450,977	14,897,482
1,561,873	1,751,121	1,286,800	1,188,495	1,145,396	782,411
257,121	245,020	247,046	263,838	262,990	271,400
<u>990,546</u>	<u>1,970,078</u>	<u>911,018</u>	<u>362,601</u>	<u>383,968</u>	<u>498,563</u>
<u><u>\$47,009,604</u></u>	<u><u>\$45,193,994</u></u>	<u><u>\$39,995,231</u></u>	<u><u>\$39,352,900</u></u>	<u><u>\$34,203,071</u></u>	<u><u>\$29,573,238</u></u>

Belmont County, Ohio
Property Tax Levies and Collections - Real and Public Utility Property (3)
Last Ten Years

Year	Total Tax Levy (1)	Current Collections (1)	Percent of Levy Collected	Delinquent Collections (2)	Total Collections
1994	\$30,222,255	\$29,288,216	96.91%	\$824,654	\$30,112,870
1995	33,874,709	32,813,519	96.87%	1,046,106	33,859,625
1996	34,041,204	33,087,175	97.20%	1,060,402	34,147,577
1997	34,068,776	33,078,044	97.09%	1,070,874	34,148,918
1998	38,448,779	37,330,400	97.09%	1,190,046	38,520,446
1999	39,384,547	38,294,932	97.23%	1,051,179	39,346,111
2000	42,286,772	40,587,605	95.98%	1,158,495	41,746,100
2001	9,721,745	9,186,513	94.49%	332,100	9,518,613
2002	9,794,443	9,434,055	96.32%	352,302	9,786,357
2003	9,891,808	9,227,415	93.28%	357,100	9,584,515

(1) Includes rollback and homestead

(2) Includes amounts collected from penalties, interest, and other additional delinquent collections

(3) Includes penalties, interest and other additional delinquent charges.

(4) 1992-2000 include all levies and collections for the subdivisions and the County.
2001, 2002 and 2003 include levies and collections for the County's share only.

Source: Belmont County Auditor's Office

<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
99.64%	\$1,252,575	4.14%
99.96%	2,498,536	7.38%
100.31%	1,505,402	4.42%
100.24%	1,487,328	4.37%
100.19%	1,546,811	4.02%
99.90%	1,697,148	4.31%
98.72%	1,940,512	4.59%
97.91%	2,057,646	21.17%
99.92%	1,001,989	10.23%
96.89%	1,066,045	10.78%

Table 4

S-8

Belmont County, Ohio
Property Tax Levies and Collections - Tangible Personal Property (2)
Last Ten Years

Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Collections (1)	Total Collections
1994	\$3,106,920	\$3,080,015	99.13%	\$180,361	\$3,260,376
1995	3,199,171	3,172,309	99.16%	89,983	3,262,292
1996	3,487,688	3,252,554	93.26%	606,567	3,859,121
1997	3,566,358	3,510,297	98.43%	110,708	3,621,005
1998	4,096,218	4,329,467	105.69%	169,885	4,499,352
1999	4,719,682	4,656,202	98.65%	250,429	4,906,631
2000	5,229,654	5,034,395	96.27%	143,993	5,178,388
2001	1,557,250	1,385,211	88.95%	152,386	1,537,597
2002	1,575,455	1,178,661	74.81%	138,622	1,317,283
2003	1,378,708	1,057,083	76.67%	242,463	1,299,546

(1) Includes amounts collected from penalties, interest, and other additional delinquent collections

(2) 1992-2000 include all levies and collections for the subdivisions and the County.

2001, 2002 and 2003 include levies and collections for the County's share only.

Source: Belmont County Auditor's Office

<u>Percent of Total Collections to Tax Levy (1)</u>	<u>Outstanding Delinquent Taxes (1)</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
104.94%	\$442,219	14.23%
101.97%	755,309	23.61%
110.65%	743,562	21.32%
101.53%	677,161	18.99%
109.84%	301,018	7.35%
103.96%	383,744	8.13%
99.02%	457,116	8.74%
98.74%	349,590	22.45%
83.61%	285,360	18.11%
94.26%	98,203	7.12%

Table 5

S-10

Belmont County, Ohio
Assessed and Estimated Actual Values of Taxable Property
Last Ten Years

Year	Real Property (1)		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$426,193,880	\$1,217,696,800	\$63,951,654	\$255,806,616
1995	484,018,360	1,382,909,600	63,809,135	255,236,540
1996	486,543,620	1,390,124,629	65,564,600	262,258,400
1997	493,371,210	1,409,632,028	70,189,570	280,758,280
1998	555,310,820	1,586,602,343	71,480,220	285,920,880
1999	568,328,790	1,623,797,057	79,367,420	317,468,680
2000	583,110,030	1,666,028,658	90,798,660	363,194,640
2001	704,474,270	2,012,783,600	95,346,660	381,386,640
2002	709,742,280	2,027,835,086	105,868,250	423,473,000
2003	776,709,180	2,047,993,285	99,906,349	400,520,000

(1) Real Property Values Include Public Utility Real Property

Source: Belmont County Auditor's Office

Public Utility Tangible Personal		Total		Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$134,798,600	\$134,798,600	\$624,944,134	\$1,608,302,016	38.86%
139,686,840	139,686,840	687,514,335	1,777,832,980	38.67%
130,929,170	130,929,170	683,037,390	1,783,312,199	38.30%
121,078,420	137,589,113	684,639,200	1,827,979,421	37.45%
119,186,700	135,439,432	745,977,740	2,007,962,655	37.15%
120,635,400	137,085,682	768,331,610	2,078,351,419	36.97%
116,235,780	126,227,932	790,144,470	2,155,451,230	36.66%
118,483,570	134,640,400	918,304,500	2,528,810,640	36.31%
71,462,320	81,207,181	887,072,850	2,532,515,267	35.03%
70,943,740	80,423,568	947,559,269	2,528,936,853	37.47%

Belmont County, Ohio
Property Tax Rates - Direct and Overlapping Governments (1)
Per Thousand Dollars of Assessed Value
Last Ten Years

County Units	1994	1995	1996	1997	1998
General Fund	\$2.30	\$2.30	\$2.30	\$2.30	\$2.30
Mental Health	1.50	1.50	1.50	1.50	1.50
Mental Retardation	4.50	4.50	4.50	4.50	4.50
Child Welfare	1.00	1.00	1.00	1.00	1.00
Senior Citizens Services	0.50	1.00	1.00	1.00	2.00
Total County Units	\$9.80	\$10.30	\$10.30	\$10.30	\$11.30
School Districts Wholly within County					
Barnesville	\$43.90	\$43.90	\$43.90	\$43.90	\$43.90
Bellaire	35.45	35.45	35.45	35.45	35.45
Bridgeport	35.60	35.60	41.35	41.35	41.35
Martins Ferry	39.85	39.60	39.70	39.45	39.45
Shadyside	34.40	34.40	34.40	34.40	34.40
St. Clairsville-Richland	34.20	34.20	34.20	34.20	34.20
Union Local	35.45	35.45	40.08	40.08	40.05
School Districts Partially within County					
Buckeye Local (1)	32.35	32.85	32.85	32.85	32.85
Harrison Hills	39.70	39.70	39.70	39.70	39.70
Switzerland of Ohio	35.20	35.00	35.40	37.90	37.90
Joint Vocational School Districts					
Belmont Career Center	1.95	1.95	1.95	1.95	1.95
Buckeye Local	1.00	1.00	1.00	1.00	1.00
Corporations					
Barnesville	4.00	4.00	4.00	4.00	4.00
Bellaire	5.60	5.60	5.60	5.60	5.60
Belmont	12.55	12.55	12.55	12.55	12.55
Bethesda	13.55	11.55	10.55	10.55	14.05
Bridgeport	13.75	14.25	15.75	15.75	15.75
Brookside	7.75	8.75	8.75	8.75	8.75
Fairview	7.70	7.70	7.70	7.70	7.70
Flushing	11.85	11.85	11.85	11.85	11.85
Holloway	15.25	15.25	15.25	15.25	15.25
Martins Ferry	7.60	7.60	7.60	7.60	7.60
Morristown	4.05	4.05	4.05	6.05	6.05
Powhatan	8.00	8.00	8.00	8.00	8.00
Shadyside	18.85	16.35	16.35	18.35	18.35
St. Clairsville	12.35	12.35	12.35	12.35	12.35
Wilson	6.10	6.10	6.40	6.40	6.40
Yorkville	11.70	11.70	11.70	11.70	11.70
Townships					
Colerain	2.70	2.70	2.70	2.70	2.70
Flushing	2.70	2.70	2.70	2.70	2.70
Goshen	5.30	5.30	5.30	5.30	5.30
Kirkwood	5.25	5.25	5.25	5.25	5.25
Mead	4.90	4.90	4.40	4.40	4.40
Pease	2.60	2.60	2.60	2.60	2.60
Pultney	7.55	7.55	7.55	7.55	7.55
Richland	6.65	6.65	6.65	6.65	8.65
Smith	6.05	6.05	6.05	6.05	6.05
Somerset	6.10	6.10	6.10	6.10	6.10
Union	5.20	5.20	5.20	7.20	7.20
Warren	4.80	4.80	4.80	4.80	4.80
Washington	4.40	4.40	4.40	4.40	4.40
Wayne	5.00	5.00	5.00	5.00	5.00
Wheeling	6.15	6.15	6.15	6.15	6.15
York	3.80	5.30	5.30	5.30	5.30
Special Districts					
Bellaire LSD FD #1	3.50	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #1 (Colerain)	3.50	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #1 (Pease)	3.50	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #2	4.50	4.50	4.50	4.50	4.50
Bridgeport EVSD HV FD #3 (Colerain)	3.00	3.00	3.00	3.00	3.00
Bridgeport EVSD HV FD #3 (Pease)	3.00	3.00	3.00	3.00	3.00
Buckeye LSD FR #2	4.50	4.50	4.50	4.50	4.50
Buckeye LSD Hill Valley FD #3	3.00	3.00	3.00	3.00	3.00
Martins Ferry CSD FD #2	4.50	4.50	4.50	4.25	4.50
Martins Ferry CSD HV FD #3 (Colerain)	3.00	3.00	3.00	2.75	3.00
Martins Ferry CSD HV FD #2 (Pease)	3.00	3.00	3.00	2.75	3.00
Bridgeport EVSD Barton Crescent FD #5	4.00	4.00	4.00	4.00	4.00
Martins Ferry CSD Barton Crescent FD #5	4.00	4.00	4.00	3.75	4.00
St. Clairsville-Richland CSD Crescent FD #5	4.00	4.00	4.00	4.00	4.00
Bridgeport EVSD Brookside FD #6	4.00	4.00	4.00	4.00	4.00

(1) Includes Bond Rates

Source: Belmont County Auditor's Office

1999	2000	2001	2002	2003
\$2.30	\$2.30	\$2.30	\$2.30	\$2.30
1.50	1.50	1.50	1.50	1.50
7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>
\$42.80	\$46.60	\$46.10	\$46.10	\$46.10
36.78	36.78	36.28	36.28	36.28
41.35	41.35	40.85	40.85	40.85
39.45	39.45	38.95	38.95	38.95
34.40	38.90	38.40	38.40	38.40
34.20	34.20	33.70	36.64	36.64
40.05	35.05	33.95	33.95	33.95
32.85	32.85	32.00	32.00	32.00
39.70	39.70	39.20	39.20	39.20
37.90	37.90	37.90	37.90	37.90
1.95	1.45	1.45	1.45	1.45
1.00	1.50	1.50	1.50	1.50
4.00	4.00	4.00	4.00	4.00
5.60	5.60	5.60	5.60	8.10
12.55	12.55	12.55	12.55	12.55
14.05	14.05	13.55	13.55	13.55
15.75	14.25	14.25	14.25	14.25
8.75	11.75	11.75	11.75	11.75
7.70	7.70	7.70	7.70	7.70
11.85	11.85	16.85	16.85	14.85
15.25	20.75	20.75	20.75	20.75
7.60	8.60	8.60	8.60	8.60
6.05	6.05	6.05	6.05	6.05
8.00	8.00	8.00	8.00	8.00
18.35	20.85	20.85	20.85	20.85
12.35	12.35	12.35	12.35	12.35
6.40	6.40	6.40	6.40	6.40
11.70	11.70	11.20	11.20	11.20
2.70	2.70	2.70	2.70	2.70
2.70	4.70	4.70	4.70	4.70
5.30	5.30	5.30	5.30	7.30
5.25	5.25	5.25	5.25	5.25
4.40	4.40	4.40	4.40	4.40
2.60	2.60	2.60	2.60	2.60
7.55	7.55	7.55	7.55	7.55
8.65	7.20	7.20	7.20	7.00
6.05	7.60	7.60	7.60	7.60
6.10	6.10	6.10	6.10	6.10
7.20	7.20	7.20	7.20	7.20
4.80	4.80	4.80	4.80	4.80
4.40	4.40	4.40	4.40	4.40
5.00	5.00	5.00	5.00	5.00
6.15	6.15	6.15	6.15	6.15
5.30	5.30	5.30	5.30	7.30
3.50	3.00	3.00	3.00	3.00
3.50	3.00	3.00	3.00	3.00
3.50	3.00	3.00	3.00	3.00
4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00

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

<u>Year</u>	<u>Population</u>	<u>Assessed Value of County</u>	<u>Gross General Obligation Bonded Debt (1)</u>	<u>Debt Service Fund</u>
1994	70,570	\$624,944,134	\$3,505,000	\$256,030
1995	70,380	687,514,335	3,330,000	259,308
1996	70,022	683,037,390	5,880,000	256,516
1997	69,595	684,639,200	5,620,000	235,418
1998	69,175	745,977,740	5,504,940	229,788
1999	71,259	768,331,610	5,180,747	172,872
2000	70,226	790,144,470	4,845,054	125,698
2001	70,226	918,304,500	4,497,798	76,361
2002	70,226	887,072,500	4,137,142	26,882
2003	69,448	947,559,269	3,855,000	25,733

(1) Includes all general obligation bonds payable from property taxes, rental income, court fines and fees and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$3,248,970	0.52%	46.04
3,070,692	0.45%	43.63
5,623,484	0.82%	80.32
5,384,582	0.79%	77.37
5,275,152	0.71%	76.26
5,007,875	0.65%	70.28
4,719,356	0.60%	67.20
4,421,437	0.48%	62.96
4,110,260	0.46%	58.53
3,829,267	0.40%	55.14

Belmont County
Computation of Legal Debt Margin
December 31, 2003

	<u>Total Debt Limit (1)</u>	<u>Total Unvoted Limit (2)</u>
Total Assessed Property Value for 2003 Collections	<u>\$947,559,269</u>	<u>\$947,559,269</u>
Debt Limitation of Assessed Value	<u>22,188,982</u>	<u>9,475,593</u>
Outstanding Debt at December 31, 2003:		
General Obligation Bonds Payable	8,615,000	8,615,000
Rural Industrial Park Loan	400,000	400,000
Mortgage Revenue Bonds Payable	7,346,000	7,346,000
OWDA Loans	37,589	37,589
Notes Payable	<u>12,530,000</u>	<u>12,530,000</u>
Total Outstanding Debt at December 31, 2003	<u>28,928,589</u>	<u>28,928,589</u>
Less:		
General Obligation Bonds for Jail Construction	3,395,000	3,395,000
General Obligation Bonds Payable from Rental Revenues	460,000	460,000
General Obligation Bonds Payable from Enterprise Revenues	4,760,000	4,760,000
Rural Industrial Park Loan Payable from Sale of Land	400,000	400,000
Court Computer Note Payable from Fines and Fees	60,000	60,000
Mortgage Revenue Bonds Payable from Enterprise Revenues	7,346,000	7,346,000
OWDA Loans Payable from Enterprise Fund Revenues	37,589	37,589
County Enginner Building Improvement Notes Payable	1,280,000	1,280,000
County Building Improvement Notes Payable	1,500,000	1,500,000
Common Pleas Court Computer Notes Payable from Fines and Fees	115,000	115,000
Juvenile Detention Facility Notes Payable	500,000	500,000
Notes Payable from County Sales and Use Tax	3,575,000	3,575,000
Notes Payable from Enterprise Fund Revenues	<u>5,500,000</u>	<u>5,500,000</u>
Total Self-Supporting Debt	<u>28,928,589</u>	<u>28,928,589</u>
Net Debt Applicable to Debt Limitation	<u>0</u>	<u>0</u>
Total Legal Debt Margir	<u>\$22,188,982</u>	<u>\$9,475,593</u>

(1) Debt Limit is a total of a sum equal to three percent of the first \$100,000,000 of the assessed valuation plus one and one half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one half percent of such valuation in excess of \$300,000,000.

(2) Debt limit is one percent of total assessed valuation.

Source: Belmont County Auditor's Office

Table 9

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Belmont County, Ohio
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2003

<u>Jurisdiction</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable to Belmont County</u>	<u>Amount Applicable to Belmont County</u>
Belmont County	\$3,855,000	100%	<u>\$3,855,000</u>
School Districts wholly within the County	17,364,111	100%	17,364,111
Buckeye Local School District	3,749,794	10%	<u>391,853</u>
Total Overlapping Debt Only			<u>17,755,964</u>
Total Applicable to Belmont County			<u><u>\$21,610,964</u></u>

(1) Amount includes County general obligation bonds payable from property taxes, rental income and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

Belmont County, Ohio
 Ratio of Annual Debt Service Expenditures for General Obligation
 Debt to Total General Governmental Expenditures
 Last Ten Years

Year	Principal	Interest and Fiscal Charges	Total Interest and Principal (1)	Total General Governmental Expenditures (From Table 1)	Ratio of General Long-Term Debt Expenditures to Total General Governmental Expenditures
1994	\$150,000	\$178,990	\$328,990	\$30,528,854	1.08%
1995	175,000	154,585	329,585	35,216,841	0.94%
1996	175,000	149,335	324,335	37,787,038	0.86%
1997	260,000	143,472	403,472	37,113,053	1.09%
1998	280,558	283,891	564,449	44,000,191	1.28%
1999	324,193	277,101	601,294	48,799,462	1.23%
2000	335,693	264,206	599,899	49,666,114	1.21%
2001	347,256	250,819	598,075	53,512,394	1.12%
2002	359,884	236,206	596,090	51,882,752	1.15%
2003	335,000	218,463	553,463	50,252,612	1.10%

(1) Includes only general obligation bonds payable from property taxes, rental income, court fines and fees, and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

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Belmont County, Ohio
Revenue Bond Coverage - Sanitary Sewer District 1
Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service
1994	\$293,566	\$288,416	\$5,150
1995	289,595	260,840	28,755
1996	301,476	313,199	(11,723)
1997	328,940	271,953	56,987
1998	358,452	242,251	116,201
1999	344,552	239,665	104,887
2000	369,662	230,828	138,834
2001	287,410	259,931	27,479
2002	299,041	318,929	(19,888)
2003	270,451	312,453	(42,002)

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

Source: Belmont County Auditor's Office

Debt Service Requirements (3)				
Principal	Interest and Fiscal Charges	Total	Coverage	
\$0	\$0	\$0	0.00	
0	0	0	0.00	
0	0	0	0.00	
0	8,686	8,686	6.56	
0	8,019	8,019	14.49	
30,000	11,434	41,434	2.53	
31,000	11,698	42,698	3.25	
32,000	5,008	37,008	0.74	
35,000	7,618	42,618	-0.47	
35,000	1,909	36,909	-1.14	

Belmont County, Ohio
Revenue Bond Coverage - Water Works 3
Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service
1994	\$1,957,165	\$946,597	\$1,010,568
1995	2,188,414	1,082,997	1,105,417
1996	2,502,699	1,711,353	791,346
1997	2,735,679	1,475,516	1,260,163
1998	2,587,543	1,376,996	1,210,547
1999	2,671,283	1,314,061	1,357,222
2000	2,977,736	1,243,926	1,733,810
2001	2,906,410	1,253,068	1,653,342
2002	2,894,230	1,514,264	1,379,966
2003	3,036,623	1,474,994	1,561,629

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses (including loss on sale of fixed assets) exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

Source: Belmont County Auditor's Office

Debt Service Requirements (3)			
Principal	Interest and Fiscal Charges	Total	Coverage
\$143,000	\$172,545	\$315,545	3.20
33,000	261,228	294,228	3.76
65,000	81,860	146,860	5.39
16,000	167,691	183,691	6.86
228,000	418,889	646,889	1.87
99,000	426,017	525,017	2.59
213,000	428,544	641,544	2.70
88,000	405,084	493,084	3.35
248,000	404,962	652,962	2.11
100,000	368,628	468,628	3.33

Belmont County, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>Per Capita Income</u>	<u>Household Size</u>	<u>County Unemployment</u>
1994	70,570	37.90	\$15,769	2.70	8.40%
1995	70,380	37.90	16,510	2.70	6.80%
1996	70,022	37.90	16,510	2.70	6.40%
1997	69,595	37.90	16,510	2.49	7.30%
1998	69,175	37.90	17,703	2.48	5.40%
1999	71,259	37.90	18,343	2.48	5.50%
2000	70,226	37.90	18,343	2.48	4.80%
2001	70,226	37.90	18,343	2.48	4.30%
2002	70,226	40.90	16,221	2.37	5.80%
2003	69,448	40.90	16,221	2.37	5.50%

Sources: Ohio Bureau of Employment Services
Belmont County Board of Education
Strategic Research
U.S. Census
Labor Market Information
Regional Economic Information System

<u>State Unemployment</u>	<u>United States Unemployment</u>	<u>Average K-12 School Enrollment</u>
5.70%	6.70%	10,831
4.80%	5.60%	10,372
5.40%	4.90%	10,117
4.60%	4.90%	10,134
4.30%	4.50%	9,951
4.20%	4.20%	9,744
3.70%	3.70%	9,645
4.50%	5.40%	9,309
5.00%	5.70%	9,289
6.10%	6.00%	9,267

Belmont County, Ohio
New Construction, Bank Deposits, and Real Property Values
Last Ten Years

Year	New Construction (1)			(2) Bank Deposits in Thousands
	Agricultural/ Residential	Commercial/ Industrial	Total	
1994	\$5,378,830	\$820,720	\$6,199,550	\$946,321
1995	5,196,340	4,164,940	9,361,280	959,762
1996	5,513,500	2,405,220	7,918,720	965,226
1997	4,903,000	3,549,160	8,452,160	993,590
1998	5,733,900	8,825,390	14,559,290	1,023,809
1999	7,640,740	5,892,480	13,533,220	1,036,622
2000	9,938,440	4,055,260	13,993,700	1,062,758
2001	11,204,300	3,981,400	15,185,700	1,106,567
2002	5,897,970	2,175,100	8,073,070	1,139,404
2003	8,118,310	3,649,560	11,767,870	1,102,855

(1) New construction and real property values are listed in the above table at assessed values.

(2) Bank deposit data available includes banks headquartered in Belmont County as well as savings and loans and credit unions.

Source: Belmont County Auditor's Office
Federal Reserve Bank in Cleveland

Real Property Values (1)			
Agricultural/ Residential	Commercial/ Industrial	Public Utility	Total
\$320,177,660	\$104,619,370	\$1,396,850	\$426,193,880
360,166,220	122,519,030	1,333,110	484,018,360
362,417,170	122,958,170	1,168,280	486,543,620
366,509,630	125,737,840	1,123,740	493,371,210
414,261,520	140,103,910	945,390	555,310,820
421,326,410	146,132,980	869,400	568,328,790
432,036,030	150,189,170	884,830	583,110,030
514,416,710	188,994,000	1,063,560	704,474,270
520,193,830	188,521,560	1,026,890	709,742,280
575,495,660	200,187,400	1,026,120	776,709,180

Table 15

Belmont County, Ohio
Principal Taxpayers
December 31, 2003

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Taxpayer	Type of Business	Real Estate Assessed Valuation	Tangible Personal and Public Utility Property Assessed Valuation	Total Assessed Valuation	Percent of Assessed Valuation
Ohio Power	Public Utility	\$0	\$26,010,240	\$26,010,240	2.74%
Ohio Valley Mall	Business	25,365,910	0	25,365,910	2.68%
Ohio Edison	Public Utility	0	12,477,870	12,477,870	1.32%
THF St. Clairsville Development	Business	17,408,140	0	17,408,140	1.84%
Ohio Bell Telephone	Public Utility	0	7,720,400	7,720,400	0.81%
Ohio Edison	Public Utility	0	11,308,440	11,308,440	1.19%
East Ohio Gas	Public Utility	0	4,156,410	4,156,410	0.44%
South Central Power	Public Utility	0	3,819,720	3,819,720	0.40%
Columbia Gas of Ohio	Public Utility	0	2,375,870	2,375,870	0.25%
Columbia Gas Transmission Corp.	Public Utility	0	2,320,720	2,320,720	0.24%
Total		<u>\$42,774,050</u>	<u>\$70,189,670</u>	<u>\$112,963,720</u>	<u>11.92%</u>

Source: Belmont County Auditor's Office

Belmont County, Ohio
Miscellaneous Statistics
December 31, 2003

Date Created	September 7, 1801
County Seat	St. Clairsville, Ohio
2000 Census Population	69,448 - ranked 37th of the 88 Ohio Counties
Number of Municipalities	16
Number of Townships	16
Area	534 square miles, ranked 19th of the 88 Ohio Counties
Water Lines	535 miles - 8,705 customer accounts
Sewer Lines	86.5 miles - 2,047 customer accounts
County Roads	508
Township Roads	717 miles
State Routes	685 miles
Number of Sheriff's Deputies-Full Time	56
Number of Sheriff's Deputies-Part Time	18
Number of Individuals Employed by the County	818
Health Care Statistics:	
Hospitals	3, East Ohio Regional, Belmont Community, and Barnesville Hospitals
Beds	432
Nursing Homes	13
Nursing Home Beds	1,107
Public Education Statistics:	
Attendance Centers	32
Students	9,264
Teacher/Student Ratio	1:17
School Districts	8, Includes Belmont JVS
Institutions of Higher Education	2, Ohio University - Eastern, 1,288 Students Belmont Technical College, 1,621 Students
Recreation and Travel Statistics:	
Municipal Parks	11-546 acres
Public Tennis Courts	15
Health Club/Fitness Centers	4
Day and Night Baseball Diamonds	54/7
Golf Courses	4
Public Libraries	10
County Fairgrounds	1-24 acres
Hotels/Motels	16-850 rooms
Number of Radio Stations	2, WOMP AM and FM and WBNV
Daily Newspapers	1, Martins Ferry Times Leader - Circulation: 18,500
Weekly Newspapers	1, Barnesville Enterprise - Circulation: 4,825
Voter Statistics (2002 General Election):	
Registered Voters	45,193
Voters at Last Election	17,675
Percentage of Registered Population Voting	39.11%
Sources: Bel-O-Mar Regional Council Ohio Department of Highway Safety Various offices of Belmont County	

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Betty Montgomery**

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**FINANCIAL CONDITION
BELMONT 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
NOVEMBER 4, 2004**