

COUNTY OF HURON, OHIO

Reports Issued Pursuant
to the OMB Circular A-133

Year ended December 31, 2003



**Auditor of State
Betty Montgomery**

Board of County Commissioners
Huron County
Norwalk, Ohio

We have reviewed the Independent Auditor's Report of Huron County, prepared by Ernst & Young LLP, for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Huron County is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

September 8, 2004

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County of Huron, Ohio

Reports Issued Pursuant to the OMB Circular A-133

Year ended December 31, 2003

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Report on Compliance and on Internal Control over Financial Reporting Based on
an Audit of the Financial Statements
Performed in Accordance with *Government Auditing Standards*

Huron County Commissioners
Norwalk, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Huron 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 May 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 we have reported to management of the County in a separate letter dated May 14, 2004.

This report is intended for the information of the Huron County Commissioners, management 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.

Ernst + Young LLP

May 14, 2004

Report on Compliance and Internal Control
Over Compliance and Schedule of Expenditures of Federal Awards in Accordance
with OMB Circular A-133

Huron County Commissioners
Norwalk, Ohio

Compliance

We have audited the compliance of Huron 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 and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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; 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* (OMB Circular A-133). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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

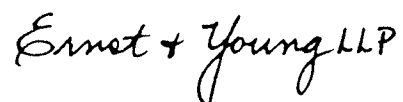
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance 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.

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 Expenditures of Federal Awards

We have audited the basic financial statements of Huron County, Ohio as of and for the year ended December 31, 2003, and have issued our report thereon dated May 14, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2003 is presented for the purpose of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. This schedule is the responsibility of management. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Huron County Commissioners, management 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.



May 14, 2004

Huron County, Ohio

Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
UNITED STATES DEPARTMENT OF HEALTH & HUMAN SERVICES			
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant	93.667	(1)	\$ 49,366
<i>Passed through Ohio Department of Mental Health</i>			
Community Mental Health Services Block Grant	93.958	(1)	41,396
Medicaid Title XIX	93.778	(1)	444,290
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Medicaid Title XIX	93.778	(1)	64,119
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(1)	172,296
Total United States Department of Health & Human Services			<u>771,467</u>
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through Ohio Department of Development</i>			
HOME Investment Partnerships Program—Community Housing Improvement Program	14.239	BC-02-036-2	193,363
Community Development Block Grant—States Program:			
Community Housing Improvement Program	14.228	BC-02-036-1	106,435
Formula Grant	14.228	BF-01-036-1	123,520
Formula Grant	14.228	BF-02-036-1	96,737
Total United States Department of Housing and Urban Development			<u>520,055</u>
UNITED STATES DEPARTMENT OF JUSTICE			
<i>Passed through Office of Criminal Justice Services</i>			
Juvenile Accountability Incentive Block Grant	16.523	01-JB-012-A030	14,880
Victim Crime Assistance Program	16.588	(1)	94,486
Total United States Department of Justice			<u>109,366</u>

Huron County, Ohio

Schedule of Expenditures of Federal Awards (continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Grantor's Number	Federal Expenditures
UNITED STATES DEPARTMENT OF EDUCATION			
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
State and Local Education Systematic Improvement Grant	84.298	(1)	408
<i>Passed through Ohio Department of Education</i>			
Special Education Cluster:			
Special Education Pre-School Grants	84.173	(1)	3,870
Special Education—Title VI-B	84.027	(1)	19,075
			<u>22,945</u>
Total United States Department of Education			23,353
UNITED STATES DEPARTMENT OF FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed through Ohio Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	97.004	(1)	4,171
Emergency Management Performance Grant	97.042	(1)	36,482
State and Local All Hazards Emergency Operations Planning	97.051	(1)	36,664
Pre-Disaster Mitigation	97.047	(1)	9,287
Total United States Department of Federal Emergency Management Agency			<u>86,604</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>Passed through Ohio Emergency Management Agency</i>			
HMEP—Training and Planning	20.703	(1)	9,778
<i>Passed through Ohio Department of Transportation</i>			
Federal Aid Highway Program—2003 Bridge Project	20.205	(1)	692,108
Federal Aid Highway Program—2001 <i> Lover's Lane (Note 4)</i>	20.205	TE21-G000 (424)	150,638
Total United States Department of Transportation			<u>852,524</u>
UNITED STATES DEPARTMENT OF LABOR			
<i>Passed through Ohio Department of Job and Family Services</i>			
Workforce Investment Act (WIA) Cluster:			
Workforce Investment Act—Adult	17.258	(1)	336,644
Workforce Investment Act—Youth	17.259	(1)	636,418
Workforce Investment Act—Dislocated Workers	17.260	(1)	81,339
Total United States Department of Labor			<u>1,054,401</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 3,417,770</u></u>

(1) No pass-through identifying number is available for this program.

See accompanying notes to schedule of expenditures of federal awards.

Huron County, Ohio

Notes to the Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Huron County, Ohio (the County) and is presented on the modified accrual basis of accounting, which is described in Note A to the County's basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Federal CDBG Loan Program

Revolving loan funds are established for CDBG project loans. Repayment of principal and interest are deposited back into the program for new loans. The County is responsible for administering the program, including the approving, disbursing, and collecting of the loans. The outstanding balance of these loans receivable totaled \$382,607 as of December 31, 2003. No federal funds were received in 2003 for the CDBG revolving loan fund program.

3. Subrecipients

Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients of \$508,409 from the Medicaid Title XIX program (93.788) and \$1,054,401 from the Workforce Investment Act Cluster (17.258, 17.259, 17.260).

4. Ohio Department of Transportation Programs

A portion of the Federal Aid Highway Program—Lover's Lane (20.205) was inadvertently left off the schedule of expenditures of federal awards for the year ended December 31, 2001. It has been determined that the program would not have been tested as major program in 2001 and was added to the schedule of expenditures of federal awards in 2003 to properly report expenditures made by the County. Furthermore, the Federal Aid Highway Program—2003 Bridge Project (20.205) was determined to be a Type A program and was tested as a major program in 2003. The County does not receive the federal funding directly as the funds are received and disbursed by the Ohio Department of Transportation.

Huron County, Ohio

Schedule of Findings and Questioned Costs

Year ended December 31, 2003

Part I—Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Reportable condition(s) identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No

Federal Awards Section

Dollar threshold used to determine Type A programs:	<u>\$300,000</u>	
Auditee qualified as low-risk auditee?	_____ <u>X</u> Yes	_____ No
Type of auditor’s report on compliance for major programs?	<u>Unqualified</u>	
Internal control over major programs:		
Material weakness(es) identified?	_____	_____ <u>X</u> No
Were reportable condition(s) identified not considered to be material weakness(es)?	_____	_____ <u>X</u> none reported
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))?	_____	_____ <u>X</u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Federal Aid Highway Program
17.258,17.259,17.260	Workforce Investment Act Cluster
14.228	CDBG Loan Program

Huron County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part II—Schedule of Financial Statement Findings

None.

Part III—Schedule of Federal Award Findings and Questioned Costs

None.

AUDITED FINANCIAL STATEMENTS

Huron County Airport Authority
Years ended December 31, 2003 and 2002
with Report of Independent Auditors

Huron County Airport Authority

Financial Statements

Years ended December 31, 2003 and 2002

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Report of Independent Auditors

The Huron County Commissioners
Huron County Airport Authority, Huron, Ohio

We have audited the accompanying statements of financial position of the Huron County Airport Authority as of December 31, 2003 and 2002 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Huron County Airport Authority at December 31, 2003 and 2002 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

May 21, 2004

Huron County Airport Authority

Statements of Financial Position

	December 31	
	2003	2002
Current assets		
Cash	\$ 17,460	\$ 30,828
Accounts receivable	5,149	1,420
Fuel inventory	10,435	10,962
Total assets	<u>\$ 33,044</u>	<u>\$ 43,210</u>
Liabilities and unrestricted net assets		
Accounts payable and other liabilities	\$ 10,762	\$ 21,561
Unrestricted net assets	22,282	21,649
Total liabilities and unrestricted net assets	<u>\$ 33,044</u>	<u>\$ 43,210</u>

See accompanying notes.

Huron County Airport Authority

Statements of Activities and Changes in Net Assets

	Years ended December 31	
	2003	2002
Revenue, gains and other support:		
Rental income	\$ 35,480	\$ 27,755
Fuel sales	52,998	57,320
Intergovernmental receipts	20,000	46,305
Total revenue, gains and other support	108,478	131,380
Expenses:		
Operational expenses	82,299	109,325
Repairs and maintenance	(3)	4,857
Rent <i>(Note 3)</i>	-	(9,861)
Utilities	17,017	8,374
Other	8,532	10,655
Total expenses	107,845	123,350
Excess of revenue over expenses and change in unrestricted net assets	633	8,030
Unrestricted net assets at beginning of year	21,649	13,619
Unrestricted net assets at end of year	\$ 22,282	\$ 21,649

See accompanying notes.

Huron County Airport Authority

Statements of Cash Flows

	Years ended December 31	
	2003	2002
Operating activities and gains and losses		
Change in unrestricted net assets	\$ 633	\$ 8,030
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Increase in accounts receivable	(3,729)	(355)
Decrease (increase) in fuel inventory	527	(8,103)
(Decrease) increase in accounts payable and other liabilities	(10,799)	5,022
Net cash (used in) provided by operating activities	<u>(13,368)</u>	<u>4,594</u>
Cash at beginning of year	30,828	26,234
Cash at end of year	<u>\$ 17,460</u>	<u>\$ 30,828</u>

See accompanying notes.

Huron County Airport Authority

Notes to Financial Statements

December 31, 2003

1. Organization

The Huron County Airport Authority (the Authority) was organized by the County Commissioners on December 22, 1966. Five members are appointed by the Commissioners to serve terms of five years to act as the legal body for the Commissioners in the matters pertaining to the airport and its operations. The airport currently consists of a small paved airstrip, a few buildings used as offices, and airplane hangars. The Airport Authority provides access to roads, taxiways, and runways of the airport. It also provides fuel services and is a lessor of real property.

The Authority has been unable to satisfy lease obligations to Huron County (the County). In 2003, the County permitted the Authority to defer the monthly rental payments indefinitely until the Authority has the ability to make the monthly rental payments and generate positive cashflows, otherwise the Authority would have incurred losses of approximately \$9,500. Management plans to continue its efforts to increase rental income and generate other sources of revenue to improve operating results. The County has committed to providing the necessary support, financial or otherwise, to ensure that the Authority will be able to meet its obligations as they become due through at least January 1, 2005.

2. Accounting Policies

The accounting principles followed by the Huron County Airport Authority and the methods of applying those principles which materially affect the determination of financial position, results of operations and the changes in net assets are summarized below.

Fuel Inventory

Fuel inventory is carried at cost, determined on a first-in, first-out basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Huron County Airport Authority

Notes to Financial Statements (continued)

3. Lease Agreements

During 1997, the Authority entered into a rental agreement with the County for a hangar built by the County in fiscal 1997. The agreement requires monthly rental payments of \$844 through June 1, 2012.

4. Intergovernmental Receipts

Intergovernmental receipts for the year ended December 31, 2003 consist of the Huron County Airport County Grant of \$20,000.

Huron County Board of Commissioners
Huron County Airport Authority

In planning and performing our audit of the financial statements of the Huron County Airport Authority for the year ended December 31, 2003, we considered its internal control to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable 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 caused by errors or fraud 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matters involving internal control and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures performed in our audit of financial statements, and this report does not affect our report dated on those financial statements.

The Airport Authority did not maintain invoice and accounts receivable records for the hangar rentals. Because of a lack of understanding of the accounting system, prior month invoices were deleted from the system in order to generate the current month invoices. An accounts receivable aging report was not available to determine the receivable balance at year-end or for management to review billings and collections throughout the year. Management is unaware of the outstanding invoices at any given time, which creates a high risk for the misappropriation of funds by the accounting clerk. Furthermore, the accounting information is insufficient to support the completeness assertion with regards to recording all accounts receivable transactions. Finally, insufficient support for outstanding claims could have a negative impact on the collection efforts of past due invoices. For the audit ending December 31, 2003, the accounts receivable balance was determined through review of subsequent cash receipts through May 2004.

We recommend that management and the accounting staff attend an educational tutorial session on the accounting system, QuickBooks, in order to maintain accurate accounting records throughout the year. The airport personnel should not delete invoice transactions from the system and should be able to generate accounts receivable aging reports at any given time during the year. Management needs to review the accounting receivable aging reports on a monthly basis to evaluate the billings and collections process to ensure all lessees are being billed and all invoices are being paid. Furthermore, to have adequate segregation of duties, management should open the mail and make the deposits into the bank account and the accounting clerk should record the cash receipt transactions into the system. The accounting clerk should then perform bank reconciliation on a monthly basis.

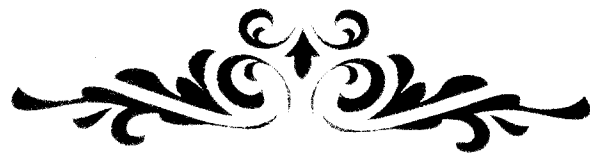
This report is intended solely for the information and use of the Board of County Commissioners, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

May 21, 2004

Ernst + Young LLP

HURON COUNTY OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING DECEMBER 31, 2003



PREPARED BY:
JOHN ELMINGER
HURON COUNTY AUDITOR

HURON COUNTY, OHIO
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

John A. Emlinger,
Huron County Auditor

Prepared by the Huron County Auditor's Office

Roberta Ulm
Account Clerk

Ann Winters
Account Clerk

Dennis Stieber
Account Clerk

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**HURON COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDING DECEMBER 31, 2003**

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ACCOUNTING DEPT.
(419) 668-0458

DATA PROCESSING
(419) 663-7900

LICENSE BUREAU/BMV
Shady Lane Complex
(419) 668-8602
Fax (419) 663-5123

MAP DEPARTMENT
(419) 668-2021

JOHN ELMLINGER
HURON COUNTY AUDITOR



MOBILE HOMES
(419) 668-8643

PERSONAL PROPERTY
(419) 668-8464

REAL ESTATE TAXATION
(419) 668-8464

WEIGHTS AND MEASURES
(419) 668-4304

FAX (419) 663-6948

12 EAST MAIN STREET SUITE 300
NORWALK, OHIO 44857-1545

(419) 668-4304

May 9, 2004

To the Citizens of Huron County
and to the Board of County Commissioners:

As Auditor of Huron County, I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) for Huron County for the fiscal year ended December 31, 2003.

This report contains basic financial statements, management's discussion and analysis, supplemental financial statements, and other financial and statistical information, which provide a complete and full disclosure of all material aspects of Huron County. This CAFR conforms to accounting principles generally accepted in the United States (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). This year's CAFR includes the implementation of GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the management of Huron County, and in particular with the Huron County Auditor's Office. In fulfilling this responsibility, the Huron County Auditor's Office has prepared the accompanying financial statements, schedules and tables. We believe this data fairly reflects the financial position of the County and the results of its operations.

The CAFR is presented in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes a title page, a table of contents, this transmittal letter, an organizational chart, a list of elected officials and a copy of the Certificate of Achievement for Excellence in Financial Reporting awarded for the 2002 Huron County CAFR. The Financial Section includes our independent auditor's, Ernst & Young LLP, report of independent auditors, Management's Discussion and Analysis, the basic financial statements and relevant supplemental financial statements and schedules for 2003.

The Statistical Section presents historical, financial, analytical, economic and demographic information, which may be useful for further analysis and comparisons.

This transmittal letter should be read in conjunction with Management's Discussion and Analysis, which provides a narrative introduction, overview, and analysis of the basic financial statements.

The County

The Ohio General Assembly first organized Huron County in 1809. The County has only those powers conferred upon it by Ohio statutes. A three-member Board of County Commissioners is elected at large in even-numbered years for overlapping four-year terms. The Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County. The Board of Commissioners creates and adopts the annual operating budget and makes the annual appropriation measure for expenditures of all County funds. In addition to the Board of County Commissioners, the Offices of the County Auditor and County Treasurer, grouped under the category of general government, are of particular importance to the financial affairs of the County.

The County Auditor, who serves as the County's Chief Fiscal Officer, is elected to a four-year term. The County Auditor serves as assessor of real property for taxation and upon collection by the County Treasurer; the Auditor is responsible for distributing certain taxes to various governmental units. The Auditor is responsible for the County payroll and has other statutory accounting responsibilities.

The County Treasurer is required by state law to collect certain locally assessed taxes. The Treasurer is the distributing agent for expenditures authorized by the Board of County Commissioners upon the Auditor's warrant. The Treasurer must make daily cash reports showing receipts, payments and balances to the County Auditor. The Treasurer is elected to a four-year term.

Other elected officials are the Prosecuting Attorney, the Clerk of Courts, the Recorder, the Sheriff, the Engineer and the Coroner. All of these officials serve a four-year term. The County's judicial system includes a Common Pleas Court Judge-General Division and a Common Pleas Court Judge-Probate/Juvenile Division. The two judges are elected to six-year terms.

Reporting Entity and Services

In conformity with Governmental Accounting Standards Board Statement No. 14, all governmental departments, agencies, institutions, commissions, public authorities and other governmental organizations, for which the County has significant financial accountability are included in this CAFR for financial reporting purposes. Financial accountability is determined by the County's ability to appoint a voting majority of the Board or financial inter-dependence.

The County provides its citizens with a wide range of services that include human and social services, health assistance, community related services, civil and criminal justice systems, road and bridge maintenance and other general and administrative support services. A further discussion of the reporting entity and its services may be found in Note A of the Notes to The Financial Statements.

Economic Condition and Outlook

Huron County is located sixty miles west of Cleveland, Ohio or sixty miles east of Toledo, Ohio. The County has a solid and diversified economic base. Principal industries include manufacturing, services and agriculture.

Manufactured products include automotive parts, fabricated metals and plastics, sporting equipment, lawn and garden equipment, furniture, rubber products and book and catalog publications.

The County's agricultural economy consists primarily of grain production, vegetables, fruit, nursery stock, cattle and dairy products. Agriculture generates close to \$80 million for the Huron County economy. Huron County is one of the top Ohio counties in terms of total farm income.

Windsor Mold Ohio Inc. completed a \$1.5 million expansion to its Bellevue, Ohio plant during 2003. Mayflower Systems is investing \$1.9 million into its Norwalk plant after receiving a \$50 million contract from International Harvester.

Fisher-Titus Medical Center announced that it will soon break ground on a nearly \$25 million expansion to its Norwalk facility. The expansion should meet the health care needs of the Norwalk area for the next twenty years.

Major County Initiatives

Huron County continues to promote economic development throughout the area. Huron County officials and management continue to work closely with state and local governments, corporations, companies, small businesses, labor unions, and charitable organizations to improve and expand business opportunities and the standard of living. The following are highlights of some of the activities Huron County is concerned about:

In 2003, the County provided its financial support to the Huron County Development Council in order to allow the Council to continue employing a fulltime director and fulltime secretary through the Cooperative Extension Program associated with the Ohio State University. During 2003, the County moved the offices of the County Recorder and Tax Map Department from the County Courthouse to the County Office Building. The relocation of the County Recorder and Tax Map Department has created additional office space within the courthouse for the County's judicial system. The relocation has also centralized the County's administrative offices within the six-floor County Office Building.

Also, in 2003, the County Commissioners began improvements to the Huron County Fairgrounds and improvements to the County's old jail.

The County will continue to provide a variety of services required to meet the needs of its citizens and actively support economic development in the area. Upcoming activities include:

The Board of County Commissioners and the judges of the Common Pleas Court are looking into the needs of the court over the next ten to fifteen years. Alternatives to meeting the anticipated space needs of the court and how best to meet those needs while preserving the historic Huron County Courthouse will be examined.

The County is initiating a document-imaging project throughout the County Recorder's Office that will allow multiple County agencies to collaborate on a single platform.

The County Auditor, County Engineer and County Emergency Management Agency (EMA) completed a strategic implementation plan to coordinate the acquisition of digital orthoimagery to be utilized for County appraisal purposes and GIS mapping. Selection of a vendor and implementation of the system will take place in 2004.

Accounting System

The County's day-to-day accounting records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records for all Governmental and Fiduciary Funds are converted to the modified accrual basis, whereby revenues are recognized when measurable and available within the business cycle (within 60 days after year end) and expenditures are recognized when the related fund liability is incurred. The accounting records for the Proprietary Funds are converted to the accrual basis, whereby revenues are recognized when measurable and earned, and expenses are recognized as incurred.

A further discussion of the three methods of accounting (non-GAAP, modified accrual and accrual) and a reconciliation of budget basis to GAAP basis of accounting may be found in **Note B** and **Note K**, respectively, of the *Notes to the Financial Statements*.

Internal Control

The management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgements by management.

As a recipient of federal and state financial assistance, the County also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management.

The County is also required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Offices of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. As a part of the County's A-133 audit procedure, tests are made to determine the adequacy of internal control, including that portion related to federal financial award programs, as well as to determine that the County has complied with applicable laws and regulations.

Cash Management

The County Treasurer utilizes cash management and forecasting techniques and procedures to provide for efficient and optimum use of the County's cash resources as permitted by applicable State of Ohio law.

Among the County's many investments, the County participates in the State Treasury Asset Reserve of Ohio (STAR OHIO) Investment pool. The Treasurer of the State of Ohio administers the statewide investment pool.

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name. The pooled securities so pledged must have a current market value at least equal to 110% of all public monies on deposit with the depository including the amount covered by federal insurance.

Cash resources of all funds with the exception of certain Fiduciary Funds are pooled for investment purposes. Currently, interest income derived from these pooled resources is credited to the County's General Fund with the exception of the equitable share distributed to the Self-Funded Health Insurance fund and the Motor Vehicle and Gas Tax Fund.

Investment Highlights

Investments and Earnings	<u>2003</u>	<u>2002</u>
Total investments and		
Deposits at year-end	\$17,434,546	\$19,705,252
Interest revenue	498,605	717,181

Budgetary Controls In accordance with Ohio law, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Commissioners. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally

exceed the appropriated amount) is established by object within each department. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts outstanding at year-end carry forward to the subsequent fiscal year as authority for expenditure. A further discussion of the budgetary accounting system and its controls may be found in Note B of the Notes to the Financial Statements.

Risk Management

Huron County is a member of a pooled insurance agreement with County Risk Sharing Authority (CORSA). The pool purchases excess insurance to supplement the Pool's funds. Coverage includes comprehensive insurance coverage for real property, building contents and vehicles. The County is required by the policy agreement to maintain a self-insurance retention fund and open each fiscal year with a minimum balance of \$225,000 in the fund. Real property and contents are fully insured after the County pays deductible of \$2,500 per occurrence.

The County per Ohio law pays all elected officials bonds.

Independent Audit

Included in the report on pages 15 and 16 is an unqualified report of independent auditors rendered by Ernst & Young LLP with respect to the basic financial statements of the County as of and for the year ended December 31, 2003. As part of the annual preparation of a CAFR, the County subjects the basic financial statements to an annual independent audit. This annual audit arrangement serves to strengthen the County's accounting, budgetary and internal control of financial and operational systems.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Huron County, Ohio for its CAFR for the fiscal year ended December 31, 2002. A Certificate of Achievement is valid for a period of one year. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This report has been prepared following the Certificate of Achievement program guidelines and will be submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This 2003 CAFR for Huron County represents the fourteenth successive report of its type for Huron County. The publication of this report represents an important achievement in providing significantly enhanced financial information and accountability to the citizens of Huron County, its elected officials, County management and investors. This report continues the aggressive program to improve the County's overall financial accounting

and reporting capabilities and the continuation of the level of professionalism the Huron County Auditor's Offices has worked to attain.

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

A special note of appreciation is extended to my accounting staff, Ann Winters, Roberta Ulm and Dennis Stieber and to Lynn Chapin of the Data Processing Department for their dedication in preparing this CAFR. They have made a significant contribution to improving the quality and professionalism of fiscal services in Huron County government.

Sincerely,

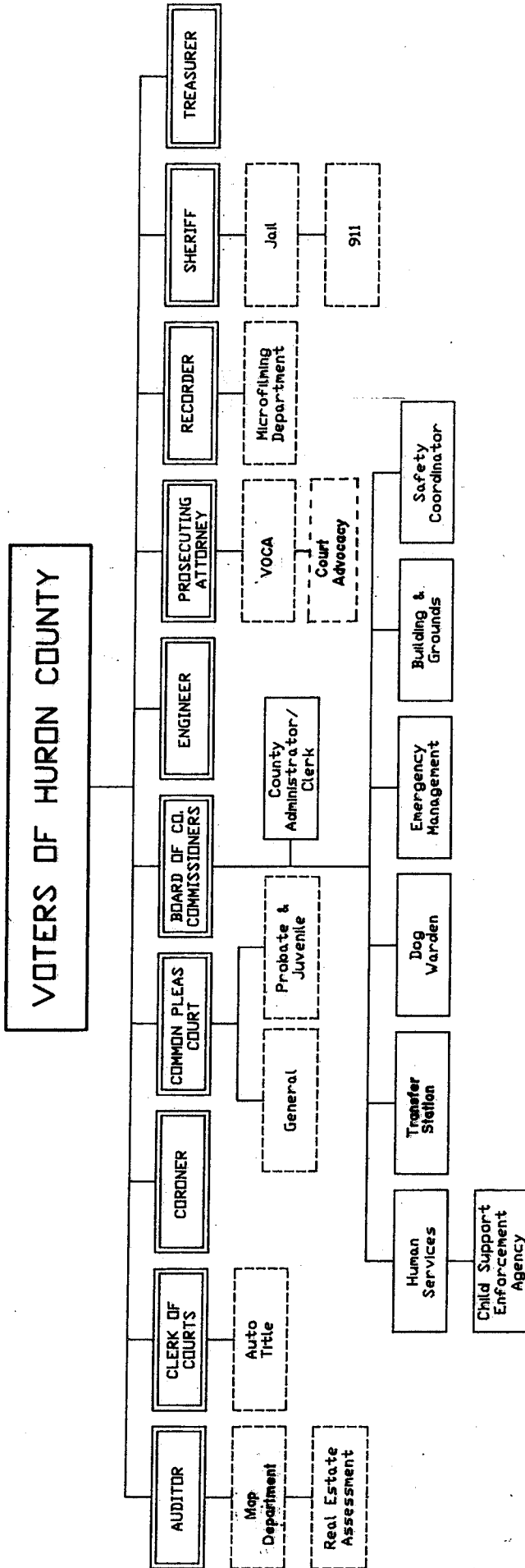


JOHN ELMLINGER
Huron County Auditor

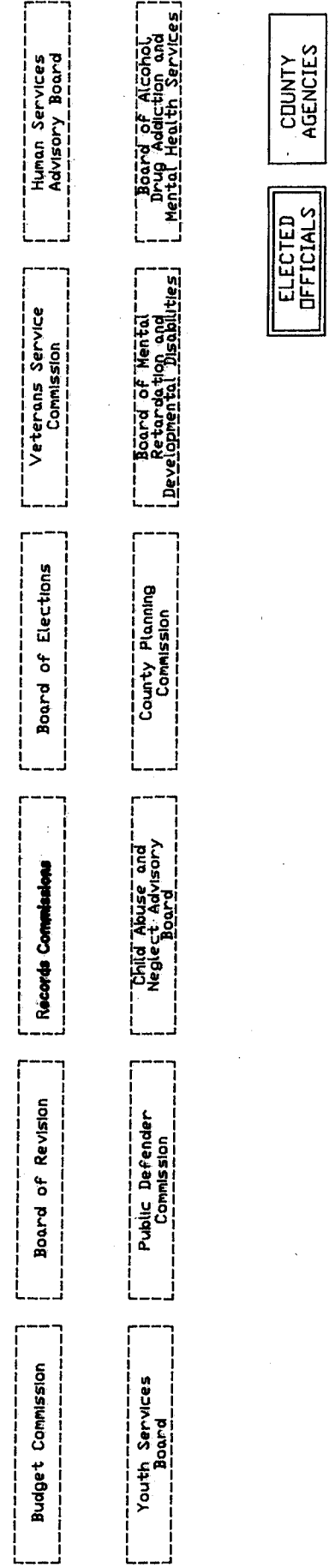
**HURON COUNTY, OHIO
LIST OF ELECTED OFFICIALS
DECEMBER 31, 2003**

Auditor..... John A. Emlinger
Clerk of Courts.....Susan Hazel
Commissioner.....Michael Adelman
Commissioner.....Terry R. Boose
Commissioner.....Ardeth L. Chupp
Coroner.....Dr. Jeffery Harwood
Court of Common Pleas-General.....Earl R. McGimpsey
Court of Common Pleas-Probate & Juvenile.....Timothy Cardwell
Engineer.....Lawrence V. McGlinchy
Prosecuting Attorney.....Russell V. Leffler
Recorder.....Karen Fries
Sheriff.....Richard Sutherland
Treasurer.....Roland Tkach

HURON COUNTY GOVERNMENT ORGANIZATIONAL CHART



COUNTY BOARDS AND COMMISSIONS



ELECTED OFFICIALS

COUNTY AGENCIES

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Huron 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



FINANCIAL SECTION



Report of Independent Auditors

Huron County Board of Commissioners
Norwalk, Ohio

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Huron County, Ohio 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 conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Huron County, Ohio, as of December 31, 2003, and the respective changes in financial position and the cash flows, where appropriate, thereof and the respective budgetary comparison for the General, Board of Mental Retardation, Job and Family Services, and Motor Vehicle and Gas Tax Funds for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note O to the accompanying financial statements, in 2003, the County changed its method of reporting in accordance with Government Accounting Standard Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*. GASB Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* were adopted to coincide with the adoption of GASB Statement No. 34, effective December 31, 2003.

The management's discussion and analysis on pages 17 through 25 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries to 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2004 on our consideration of the County's internal control over financial reporting and our tests of 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, other financial information and statistical tables and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and other financial information have 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. The introductory section and statistical tables and schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ernst & Young LLP

May 14, 2004

**HURON COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2003**

The discussion and analysis of Huron County's financial performance provides an overall review 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 the close of the year ended December 31, 2003 by \$60,584,438 (net assets). Of this amount \$13,891,199 may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$541,094, which is less than 1% of the net assets at the beginning of the year 2003.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$13,838,698, a decrease of \$1,823,441 from the prior year. Of this amount, \$12,276,552 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current year, unreserved fund balance for the general fund was \$3,368,621, which represents a 19% decrease over the prior year, and represents 26% of total general fund expenditures.
- Huron County's total debt decreased by \$617,761 during the current year. The key factor for this decrease was the principal payments on the general obligation bonds.

Overview of the Financial Statements

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

The County's basic financial statements comprise three components: 1) County-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

County-Wide Financial Statements

The County-wide financial statements are designated 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 the Statement of Activities

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

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

In the Statement of Net Assets and the Statement of Activities, the County is divided into two kinds of activities:

Governmental Activities – Most of the County's services are reported here including public safety, social services programs, administration, and all departments with the exception of our Transfer Station.

Business-Type Activities – These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of our Transfer Station as well as all capital expenses associated with this facility.

The County-wide Financial Statements can be found on pages 26 to 29 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. Based on restriction on the use of monies, the County has established many funds, which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. In the case of Huron County,

our major funds are the General, Board of Mental Retardation, Job & Family Services, Motor Vehicle and Gas Tax.

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

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial 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 several individual governmental funds. Information is represented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 30 to 38 of this report.

The County adopts an annual appropriation budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds: The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Landfill. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance program. Because this service predominantly benefits governmental rather than business-type functions, it has been included with governmental activities in the County-wide financial statements. The proprietary fund financial statements can be found on pages 40 to 41 of this report.

Fiduciary Funds: Are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the

County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on page 43 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the County-wide and fund financial statements. The notes to the financial statements can be found on pages 44-74 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules, which can be found on pages 76-155 of this report.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$60,584,438 (\$61,477,312 in governmental activities and (\$892,874) in business type activities) as of December 31, 2003. By far, the largest portion of the County net assets (72%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt used to acquire those capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Table 1		
	Net Assets		
	Governmental	Business-Type	
Assets	Activities	Activities	Total
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Current and other assets	\$ 21,041,407	\$ 607,629	\$ 21,649,036
Capital assets, net	<u>52,691,490</u>	<u>3,264,145</u>	<u>55,955,635</u>
Total Assets	<u>73,732,897</u>	<u>3,871,774</u>	<u>77,604,671</u>
Liabilities			
Current and other liabilities	4,067,216	197,504	4,264,720
Long-term liabilities due within one year	415,000	267,847	682,847
Long-term liabilities due in more than one year	<u>7,773,369</u>	<u>4,299,297</u>	<u>12,072,666</u>

Total liabilities	<u>12,255,585</u>	<u>4,764,648</u>	<u>17,020,233</u>
Net Assets			
Invested in capital assets, net of debt	44,503,121	1,593,809	46,096,930
Restricted:			
Capital projects	596,309		596,309
Unrestricted	<u>16,377,882</u>	<u>(2,486,683)</u>	<u>13,891,199</u>
Total Net Assets	<u>\$61,477,312</u>	<u>\$(892,874)</u>	<u>\$60,584,438</u>

An additional portion of the County's net assets (1%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (\$13,891,199) may be used to meet the County's ongoing obligations to citizens and creditors.

As of December 31, 2003, the County is able to report a positive balance in the governmental activities of \$61,477,312. The business-type activities reported a deficit of \$(892,874). Table 2 (on following page) provides a summary of the changes in net assets for the year ended December 31, 2003. The County first implemented GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* for the first time in 2003, therefore comparative data is not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented. The County financial position declined for both governmental-type and business-type activities.

Governmental Activities

Human Services accounted for \$13,423,408 of the \$41,518,994 total expenses for governmental activities or 32% of total expenses. The next largest program is health, accounting for \$6,680,406, which represents 16% of total governmental expenses.

Tax revenue accounts for \$17,081,368 of the \$41,524,315 total revenue for governmental activity, or 41% of total revenue. Operating grants was the largest program revenue accounting for \$19,046,041, or 46% of total governmental revenue. The major recipients of intergovernmental revenue were Job & Family Services, receiving \$6,538,139 and Motor Vehicle and Gas Tax, receiving \$3,490,331.

The County's direct charges to users of governmental services made up \$2,964,948 or 7% of total governmental revenue. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity and licenses and permits.

Business-type Activities

The net assets for the business-type activities for the County decreased by \$297,195 during the year 2003. The major revenue source was charges for services of \$2,221,507.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,368,621, while total fund balance reached \$3,558,337. This is a decrease of 19% and 19%, respectively. 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 26.3 percent to total general fund expenditures, while total fund balance represents 27.7 percent of that same amount.

Revenues	Governmental Activities <u>2003</u>	Business-Type Activities <u>2003</u>	Total <u>2003</u>
Program Revenues:			
Charges for services	\$ 2,964,948	\$2,221,507	\$ 5,186,455
Operating grants and contributions	19,046,041	61,684	19,107,725
General Revenues:			
Taxes	17,081,368	0	17,081,368
Investment income	498,605	0	498,605
Other	<u>1,933,353</u>	<u>0</u>	<u>1,933,353</u>
<i>Total Revenues</i>	<u>41,524,315</u>	<u>2,283,191</u>	<u>43,807,506</u>

Program Ex-
penses

General Gov-
ernment:

Legislative
and execu-
tive

6,148,404 0 6,148,404

Judicial sys-
tem

2,108,324 0 2,108,324

Public safety

5,722,047 0 5,722,047

Public works

6,473,238 0 6,473,238

Health

6,680,406 0 6,680,406

Human ser-
vices

13,423,408 0 13,423,408

Conservation
and recrea-
tion

56,727 0 56,727

Miscellaneous

476,834 0 476,834

Interest and
fiscal charges

429,606 0 429,606

Landfill

0 2,829,606 2,829,606

Total Ex-
penses

41,518,994 2,829,606 44,348,600

Increase in
Net Assets
before Trans-
fers

5,321 (546,415) (541,094)

Transfers

(249,220) 249,220 0

Increase in
Net Assets

(243,899) (297,195) (541,094)

Net Assets -
beginning

61,721,211 (595,679) 61,125,532

Net Assets -
ending

\$61,477,312 \$ (892,874) \$60,584,438

The fund balance of the County's general fund decreased by \$836,862 during the current fiscal year. Key factors in this change are as follows:

- A decrease in intergovernmental revenue of approximately 265,000 and decrease in investment earnings of approximately \$314,000.
- An increase of approximately \$178,000 in transfers from the general fund to other funds.

The other major governmental funds of the County are: Board of Mental Retardation, Job & Family Services and Motor Vehicle & Gas Tax.

The fund balance of the Board of Mental Retardation decreased \$320,717 to \$1,590,031. The decrease is due primarily to funds transferred to capital projects for the resurfacing of a school parking lot.

The fund balance of Job and Family Services decreased \$950,469 to \$758,552. The decrease is due to a decrease in intergovernmental revenue of approximately \$1,556,000, primarily from the State of Ohio.

The fund balance of Motor Vehicle and Gas Tax increased from \$134,028 to \$2,117,116. The increase is due to reimbursements from the State of Ohio for expenses on Issue II projects.

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 Landfill Fund at the end of the year amounted to \$(892,874). Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final amended budget.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of December 31, 2003, amounts to \$55,955,635 (net of accumulated depreciation). This investment in capital asset includes land, building structures and improvements, furniture, fixtures equipment and infrastructure. The total decrease in the County's investment in capital assets for the current fiscal year was 3.1% (a 3.1% decrease for governmental activities and a 3.6% decrease for business-type activities).

There were no major capital asset events during the current fiscal year.

Additional information on the County's capital assets can be found in Note F.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$9,767,110, which is backed by the full faith and credit of the government.

The County's total debt decreased by \$617,761 during the current fiscal year. This was due to required debt service payments.

The County maintains an "AA " rating from Standard & Poor's and an "AA " rating from Moody's for general obligation debt.

State statutes limit the amount of unvoted general obligation debt the County may issue to one percent of its total assessed valuation. The current debt limitation for Huron County is \$9,917,957.

Additional information on the County's long-term debt can be found in Note G.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 9.1 percent, which is an increase from the rate of 8.1 percent a year ago. The state average unemployment rate was 5.5 percent and the national average was 5 percent.

Inflationary trends in the region compare favorably to nation indices.

These factors were considered in preparing the County's budget for the 2004 fiscal year.

Request for Information

This financial report is designed to provide a general overview of Huron 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 financial information should be addressed to:

John A. Elmlinger
Huron County Auditor
12 East Main Street; Suite 300
Norwalk OH 44857

**LUCAS COUNTY, OHIO
HURON COUNTY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and cash investments.....	\$ 12,404,741	\$ 350,429	\$ 12,755,170
Receivables (net of allowance for uncollectables.....	5,177,893	240,117	5,418,010
Due from other governments.....	3,195,656	0	3,195,656
Prepaid expenses.....	105,590	13,511	119,101
Inventory: materials and supplies.....	157,527	3,572	161,099
Capital assets not being depreciated.....	1,370,253	307,678	1,677,931
Capital assets being depreciated (net).....	51,321,237	2,956,467	54,277,704
<i>Total assets</i>	73,732,897	3,871,774	77,604,671
Liabilities:			
Accounts Payable.....	1,665,950	135,314	1,801,264
Accrued wages and benefits.....	2,397,195	54,678	2,451,873
Due to other governments.....	(888)	0	(888)
Accrued interest payable.....	(41)	7,512	7,471
Long-term liabilities	0	0	0
Due within one year.....	415,000	267,847	682,847
Due in more than one year.....	7,778,369	4,299,297	12,077,666
<i>Total liabilities</i>	12,255,585	4,764,648	17,020,233
Net Assets:			
Invested in capital assets, net of related debt.....	44,503,121	1,593,809	46,096,930
Restricted for:			
Capital projects.....	596,309	0	596,309
Unrestricted (deficit).....	16,377,882	(2,486,683)	13,891,199
<i>Total net assets</i>	<u>\$ 61,477,312</u>	<u>\$ (892,874)</u>	<u>\$ 60,584,438</u>

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

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**HURON COUNTY, OHIO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government -				
Legislative and executive.....	\$6,148,404	\$1,857,555	\$1,258,242	\$0
Judicial.....	2,108,324	395,117	523,384	0
Public safety.....	5,722,047	260,141	563,171	0
Public works.....	6,473,238	158,900	3,708,776	0
Health.....	6,680,406	0	3,303,032	0
Human services.....	13,423,408	293,235	9,689,436	0
Conservation and recreation.....	56,727	0	0	0
Miscellaneous.....	476,834	0	0	0
Interest and fiscal charges.....	429,606	0	0	0
Total governmental activities.....	<u>41,518,994</u>	<u>2,964,948</u>	<u>19,046,041</u>	<u>0</u>
Business-type activities:				
Landfill.....	2,829,606	2,221,507	61,684	-
Total business-type activities.....	<u>2,829,606</u>	<u>2,221,507</u>	<u>61,684</u>	<u>-</u>
Total primary government.....	<u>\$ 44,348,600</u>	<u>\$ 5,186,455</u>	<u>\$ 19,107,725</u>	<u>\$ -</u>

General Revenues:	
Property Tax.....	.....
Sales Tax.....	.....
Other Tax.....	.....
Charges for services not restricted to specific programs.....	.....
Intergovernmental revenue not restricted to specific programs.....	.....
Investment Income.....	.....
Miscellaneous.....	.....
Transfers.....	.....
Total general revenues and transfers.....	.....
Changes in net assets.....	.....
Net assets (deficit) - beginning.....	.....
Net assets (deficit) - ending.....	.....

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

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government		
Governmental Activities	Business-type Activities	Total
(\$3,032,607)	\$0	(\$3,032,607)
(1,189,823)		(1,189,823)
(4,898,735)		(4,898,735)
(2,605,562)		(2,605,562)
(3,377,374)		(3,377,374)
(3,440,737)		(3,440,737)
(56,727)		(56,727)
(476,834)		(476,834)
(429,606)		(429,606)
<u>(19,508,005)</u>	<u>0</u>	<u>(19,508,005)</u>
	<u>(546,415)</u>	<u>(546,415)</u>
-	<u>(546,415)</u>	<u>(546,415)</u>
<u>(19,508,005)</u>	<u>(546,415)</u>	<u>(20,054,420)</u>
9,248,906		9,248,906
7,136,717		7,136,717
695,745		695,745
-		-
-		-
498,605		498,605
1,933,353		1,933,353
(249,220)	249,220	-
<u>19,264,106</u>	<u>249,220</u>	<u>19,513,326</u>
(243,899)	(297,195)	(541,094)
61,721,211	(595,679)	61,125,532
<u>\$ 61,477,312</u>	<u>\$ (892,874)</u>	<u>\$ 60,584,438</u>

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

HURON COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

GOVERNMENTAL FUND TYPES

	General Fund	Board of Mental Retardation	Job & Family Services	Motor Vehicle & Gas Tax	Nonmajor Governmental	Total Governmental Funds
ASSETS AND OTHER DEBITS						
Pooled cash and investments.....	\$2,217,897	\$795,717	\$1,016,720	\$1,744,364	\$5,513,498	\$11,288,196
Receivables (net of allowances for uncollectibles)						
Taxes.....	1,593,075	2,275,823	0	0	682,747	4,551,645
Accounts.....	31,992	0	1,453	0	41,099	74,544
Special assessments.....	0	0	0	0	134,635	134,635
Accrued interest receivable.....	2,838	0	0	0	665	3,503
Loans.....	0	0	0	0	382,607	382,607
Due from other governments.....	1,127,038	983	541,130	1,311,308	215,197	3,195,656
Prepayments.....	105,389	0	0	0	201	105,590
Materials and supplies inventory.....	1,889	0	0	153,872	1,766	157,527
Total assets and other debits.....	\$5,080,118	\$3,072,523	\$1,559,303	\$3,209,544	\$6,972,415	\$19,893,903

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HURON COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

GOVERNMENTAL FUND TYPES

	General Fund	Board of Mental Retardation	Job & Family Services	Motor Vehicle & Gas Tax	Nonmajor Governmental	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$215,633	\$57,993	\$304,981	\$154,522	\$524,017	\$1,257,146
Due to other governments.....	0	0	0	0	(888)	(888)
Accrued wages and benefits.....	403,762	135,376	173,112	97,906	84,986	895,142
Deferred revenue.....	902,386	1,289,123	322,658	840,000	549,679	3,903,846
Accrued interest payable.....	0	0	0	0	(41)	(41)
Total liabilities.....	1,521,781	1,482,492	800,751	1,092,428	1,157,753	6,055,205
FUND BALANCES						
Fund Balances:						
Reserved-						
Reserved for encumbrances.....	82,438	92,902	85,884	334,801	320,397	916,422
Reserved for loans.....	0	0	0	0	382,607	382,607
Reserved for prepayments.....	105,389	0	0	0	201	105,590
Reserved for inventory.....	1,889	0	0	153,872	1,766	157,527
Unreserved-						
General fund.....	3,368,621	0	0	0	0	3,368,621
Special revenue funds.....	0	1,497,129	672,668	1,628,443	4,513,382	8,311,622
Capital project funds.....	0	0	0	0	596,309	596,309
Total fund balances.....	3,558,337	1,590,031	758,552	2,117,116	5,814,662	13,838,698
Total liabilities and fund balances.....	\$5,080,118	\$3,072,523	\$1,559,303	\$3,209,544	\$6,972,415	\$19,893,903

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HURON COUNTY, OHIO
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31,2003**

Total governmental fund balances	\$13,838,698
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	52,691,490
Internal service funds are used by management to charge the cost of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	738,700
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.	3,903,846
Long term liabilities, including bonds payable, capital leases, compensated absences, and landfill obligation are not due and payable in the current period and therefore are not reported on the funds.	<u>(9,695,422)</u>
Net assets of governmental activities	<u><u>\$ 61,477,312</u></u>

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

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2003

	General Fund	Board of Mental Retardation	Job & Family Services	Motor Vehicle & Gas Tax	Nonmajor Governmental	Totals Governmental Funds
Revenues:						
Taxes.....	\$9,347,129	\$2,066,901	\$0	\$222,892	\$666,439	\$12,303,361
Charges for services.....	1,188,475	0	0	45,097	1,438,278	2,671,850
Licenses and permits.....	6,142	0	0	0	0	6,142
Special assessments	0	0	0	0	91,727	91,727
Fines and forfeitures.....	229,820	0	0	46,733	10,403	286,956
Intergovernmental revenue.....	1,209,868	1,104,243	6,538,139	3,490,331	6,703,460	19,046,041
Investment earnings.....	380,915	0	0	20,951	83,943	485,809
Miscellaneous revenue.....	385,452	138,242	564,085	530,440	315,134	1,933,353
Total revenues.....	12,747,801	3,309,386	7,102,224	4,356,444	9,309,384	36,825,239
Expenditures:						
Current:						
General government-						
Legislative and executive.....	4,576,918	0	0	0	1,035,096	5,612,014
Judicial.....	1,950,587	0	0	0	0	1,950,587
Public safety.....	4,620,499	0	0	0	563,747	5,184,246
Public works.....	0	0	0	4,222,416	625,192	4,847,608
Health.....	106,551	3,450,103	0	0	2,777,297	6,333,951
Human services.....	1,138,771	0	8,052,693	0	3,154,401	12,345,865
Conservation and recreation.....	0	0	0	0	53,965	53,965
Miscellaneous.....	382,000	0	0	0	49,448	431,448
Capital outlay.....	49,837	0	0	0	759,205	809,042
Debt service:						
Principal retirement.....	0	0	0	0	405,000	405,000
Interest and fiscal charges.....	0	0	0	0	425,734	425,734
Total expenditures.....	12,825,163	3,450,103	8,052,693	4,222,416	9,849,085	38,399,460
Excess of revenues over (under) expenditures.....	(77,362)	(140,717)	(950,469)	134,028	(539,701)	(1,574,221)
Other financing sources (uses):						
Transfers in.....	5,000	0	0	0	741,144	746,144
Transfers out.....	(764,500)	(180,000)	0	0	(50,864)	(995,364)
Total other financing sources (uses)	(759,500)	(180,000)	0	0	690,280	(249,220)
Excess of revenues and other financing sources over (under) expenditures and other uses.....	(836,862)	(320,717)	(950,469)	134,028	150,579	(1,823,441)
Fund balance January 1 - as restated (See Note O).	4,395,199	1,910,748	1,709,021	1,983,088	5,664,083	15,662,139
Fund balance, December 31.....	\$3,558,337	\$1,590,031	\$758,552	\$2,117,116	\$5,814,662	\$13,838,698

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**HURON COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2003**

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

Net change in fund balances - total governmental funds	\$ (1,823,441)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.	(1,684,239)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,686,280
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.	405,000
Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,507,053)
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(320,446)</u>
Change in net assets of governmental activities	<u><u>\$ (243,899)</u></u>

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

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2003

General Fund

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget
Revenues:				
Taxes.....	\$8,804,500	\$8,804,500	\$9,189,849	\$385,349
Charges for services.....	1,103,500	1,103,500	1,181,499	77,999
Licenses and permits.....	4,700	4,700	6,142	1,442
Fines and forfeitures.....	246,000	246,000	244,339	(1,661)
Intergovernmental revenue.....	1,398,000	1,398,000	1,218,717	(179,283)
Special assessments.....	0	0	0	0
Investment earnings.....	360,000	360,000	389,713	29,713
Miscellaneous revenue.....	276,648	397,163	415,562	18,399
Total revenues.....	12,193,348	12,313,863	12,645,821	331,958
Expenditures:				
Current:				
General government-				
Legislative and executive.....	5,257,562	5,199,766	4,632,658	567,108
Judicial.....	2,495,647	2,540,943	2,045,072	495,871
Public safety.....	4,887,614	4,974,217	4,772,444	201,773
Public works.....	0	0	0	0
Health.....	97,050	106,607	106,551	56
Human services.....	1,370,911	1,370,911	1,147,893	223,018
Conservation and recreation.....	0	0	0	0
Miscellaneous.....	382,000	382,000	382,000	0
Capital outlay.....	115,632	115,632	55,587	60,045
Total expenditures.....	14,578,061	14,690,076	13,142,205	1,547,871
Excess of revenues over (under) expenditures.....	(2,384,713)	(2,376,213)	(496,384)	1,879,829
Other financing sources (uses):				
Operating transfers in.....	5,000	5,000	5,000	0
Operating transfers (out).....	(896,500)	(905,000)	(764,500)	132,000
Excess of revenues and other financing sources over (under) expenditures and other uses.....	(3,276,213)	(3,276,213)	(1,255,884)	2,011,829
Fund balance, January 1.....	2,942,368	2,942,368	2,942,368	0
Prior year encumbrances appropriated...	333,845	333,845	333,845	0
Fund balance, December 31.....	\$0	\$0	\$2,020,329	\$2,011,829

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

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 BOARD OF MENTAL RETARDATION SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes.....	\$2,000,000	\$2,000,000	\$1,951,562	(\$48,438)
Intergovernmental revenue.....	1,240,000	1,240,000	1,208,508	(31,492)
Miscellaneous revenue.....	125,000	125,000	92,126	(32,874)
Total revenues.....	3,365,000	3,365,000	3,252,196	(112,804)
Expenditures:				
Current:				
Personal services.....	2,682,000	2,752,000	2,743,838	8,162
Materials and supplies.....	78,000	91,000	89,898	1,102
Charges and services.....	683,800	722,800	689,795	33,005
Capital purchases.....	138,500	16,500	15,694	806
Total expenditures.....	3,582,300	3,582,300	3,539,225	43,075
Excess (deficiency) of revenues over (under) expenditures.....	(217,300)	(217,300)	(287,029)	(69,729)
Other financing sources (uses):				
Transfers in.....	5,000	5,000	0	(5,000)
Transfers out.....	(315,000)	(315,000)	(180,000)	135,000
Total other financing sources (uses)	(310,000)	(310,000)	(180,000)	130,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(527,300)	(527,300)	(467,029)	60,271
Fund balance, January 1.....	1,052,246	1,052,246	1,052,246	0
Prior year encumbrances appropriated.....	82,300	82,300	82,300	0
Fund balance, December 31.....	\$607,246	\$607,246	\$667,517	\$60,271

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

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
JOB & FAMILY SERVICES SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$7,633,717	\$7,633,717	\$6,539,379	(\$1,094,338)
Miscellaneous revenue.....	615,411	615,411	562,632	(52,779)
Total revenues.....	8,249,128	8,249,128	7,102,011	(1,147,117)
Expenditures:				
Current:				
Personal services.....	3,690,000	3,736,000	3,384,359	351,641
Materials and supplies.....	113,598	138,598	120,743	17,855
Charges and services.....	6,193,157	6,173,157	4,805,462	1,367,695
Capital purchases.....	174,000	123,000	62,812	60,188
Total expenditures.....	10,170,755	10,170,755	8,373,376	1,797,379
Excess (deficiency) of revenues over (under) expenditures.....	(1,921,627)	(1,921,627)	(1,271,365)	650,262
Fund balance, January 1.....	1,545,629	1,545,629	1,545,629	0
Prior year encumbrances appropriated.....	375,998	375,998	375,998	0
Fund balance, December 31.....	\$0	\$0	\$650,262	\$650,262

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

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE AND GAS TAX SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget
Revenues:				
Taxes.....	\$150,000	\$150,000	\$174,278	\$24,278
Charges for services.....	50,000	50,000	45,136	(4,864)
Licenses and permits.....	1,000	1,000	0	(1,000)
Fines and forfeitures.....	40,000	40,000	46,428	6,428
Intergovernmental revenue.....	3,220,000	3,220,000	3,467,703	247,703
Investment earnings.....	30,000	30,000	20,951	(9,049)
Miscellaneous revenue.....	361,000	361,000	530,440	169,440
Total revenues.....	3,852,000	3,852,000	4,284,936	432,936
Expenditures:				
Current:				
Personal services.....	2,128,000	2,128,000	1,869,616	258,384
Materials and supplies.....	816,170	816,170	775,418	40,752
Charges and services.....	1,595,068	1,595,068	1,507,760	87,308
Capital purchases.....	504,200	504,200	458,882	45,318
Total expenditures.....	5,043,438	5,043,438	4,611,676	431,762
Excess (deficiency) of revenues over (under) expenditures.....	(1,191,438)	(1,191,438)	(326,740)	864,698
Fund balance, January 1.....	1,202,498	1,202,498	1,202,498	0
Prior year encumbrances appropriated.....	379,438	379,438	379,438	0
Fund balance, December 31.....	\$390,498	\$390,498	\$1,255,196	\$864,698

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

LUCAS COUNTY, OHIO
HURON COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

	Business-Type Activities	Governmental Activities
	Landfill	Internal Service Fund
Assets:		
Current assets:		
Pooled cash and investments.....	\$ 350,429	\$1,116,545
Receivables (net of allowances for uncollectables).....	240,117	30,959
Inventory: materials and supplies.....	3,572	0
<i>Total current assets</i>	594,118	1,147,504
Noncurrent assets:		
Deferred bond issuance cost.....	13,511	0
Land.....	307,678	0
Land improvements.....	2,867,842	0
Buildings, structures and improvements.....	1,514,302	0
Furniture, fixtures and equipment.....	770,046	0
Less: accumulated depreciation.....	(2,195,723)	0
Total capital assets.....	3,264,145	0
<i>Total assets</i>	3,871,774	1,147,504
Liabilities:		
Current liabilities-		
Accounts Payable.....	135,314	408,804
Accrued wages and benefits.....	54,678	0
Accrued interest payable.....	7,512	0
Current portion of long-term debt.....	267,847	0
<i>Total current liabilities</i>	465,351	408,804
Noncurrent liabilities:		
General obligation bonds payable.....	1,328,741	0
Obligations under capital leases.....	73,748	0
Unfunded closure/post closure.....	2,896,808	0
<i>Total noncurrent liabilities</i>	4,299,297	0
<i>Total liabilities</i>	4,764,648	408,804
Net Assets:		
Invested in capital assets, net of related det	1,593,809	0
Unrestricted (deficit).....	(2,486,683)	738,700
<i>Total net assets (deficit)</i>	(892,874)	738,700
<i>Total liabilities and net assets</i>	\$ 3,871,774	\$1,147,504

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

**HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003**

	Business- Type Activities Landfill	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services.....	\$2,221,507	\$2,961,488
Miscellaneous.....	61,684	0
	2,283,191	2,961,488
Total operating revenues.....		
Operating expenses:		
Personal services.....	333,109	0
Contract services.....	1,815,173	3,294,730
Materials and supplies.....	22,539	0
Depreciation.....	184,108	0
Miscellaneous.....	250,758	0
	2,605,687	3,294,730
Total operating expenses.....		
Operating loss.....	(322,496)	(333,242)
Nonoperating revenues (expenses):		
Interest income.....	0	12,796
Interest and fiscal charges.....	(101,030)	0
Loss on disposal of fixed assets.....	(122,889)	0
	(223,919)	12,796
Total nonoperating revenues (expenses).....		
Loss before contributions and operating transfers.....	(546,415)	(320,446)
Transfer in.....	336,000	0
Transfer out.....	(86,780)	0
	(297,195)	(320,446)
Change in net assets.....		
Net assets (deficit) at beginning of year as restated (See Note N).....	(595,679)	1,059,146
Net assets (deficit) at end of year.....	(\$892,874)	\$738,700

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

HURON COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	Business-Type Activities Landfill	Health Insurance Internal Service
Cash flows from operating activities:		
Cash received from customers	\$2,194,951	\$2,938,182
Cash received from other operating revenues.....	59,502	
Cash paid to suppliers.....	(1,653,361)	(3,240,508)
Cash paid to employees.....	(333,330)	0
Net cash provided by (used in) operating activities...	267,762	(302,326)
Cash flows from non-capital financing activities:		
Transfers in.....	336,000	0
Transfers out.....	(86,780)	0
Net cash provided by non-capital financing activities....	249,220	0
Cash flows from capital and related financing activities:		
Principal payments - bonds.....	(212,761)	0
Interest paid.....	(101,030)	0
Purchases of fixed assets.....	(87,405)	0
Principal payments - capital lease	(84,957)	0
Net cash used in capital and related financing activities.....	(486,153)	0
Cash flows from investing activities:		
Interest received.....	0	13,486
Net cash provided by investing activities.....	0	13,486
Net increase (decrease) in cash.....	30,829	(288,840)
Cash and cash equivalents, January 1.....	319,600	1,405,385
Cash and cash equivalents, December 31.....	\$350,429	\$1,116,545

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

HURON COUNTY, OHIO
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003
Reconciliation of Operating Income (Loss) to Net Cash Provided
by Operating Activities

	Business-Type Activities Landfill	Governmental Activities Internal Service Fund
Operating (loss).....	(\$322,496)	(\$333,242)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Depreciation expense.....	184,108	0
Amortization of bond issuance costs.....	2,702	0
(Increase) decrease in operating assets:		
Accounts receivable.....	(5,662)	(23,306)
Inventory.....	(18)	0
Increase (decrease) in operating liabilities:		
Accounts payable.....	(33,596)	54,222
Accrued wages and benefits.....	(221)	0
Accrued interest payable.....	(970)	0
Unfunded closure/post-closure care costs.....	443,915	0
Total adjustments.....	590,258	30,916
 Net cash provided by (used in) operating activities.....	 \$267,762	 (\$302,326)

Non cash capital and related financing activities:

During 2003, the Landfill Fund acquired certain equipment under a capital lease agreement totaling \$96,595.

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

**HURON COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2003**

	Agency Funds
Assets:	
Current assets:	
Pooled cash and cash investments.....	\$ 2,985,225
Segregated cash accounts.....	557,676
Due from other governments.....	46,338,364
<i>Total assets</i>	49,881,265
 Liabilities:	
Unapportioned monies.....	\$2,004,685
Deposits held due to others.....	4,238,078
Payroll withholdings.....	101,318
Due to other governments.....	43,537,184
<i>Total liabilities</i>	49,881,265

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

NOTE A - DESCRIPTION OF HURON COUNTY AND BASIS OF PRESENTATION

The County: Huron County is a political subdivision of the State of Ohio. The County was formed by an act of the Ohio General Assembly in 1809. The three member **Board of County Commissioners** is the legislative and executive body of the County. The **County Auditor** is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of who is independent, as set forth in Ohio law. These officials are **Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff and Treasurer**. There is also a **Common Pleas Judge** and a **Juvenile and Probate Court Judge** elected on a countywide basis to oversee the County's justice system.

Reporting Entity: The County's basic financial statements include the accounts of all County operations. The County's major operations include human and social services, certain health care and community assistance services, civil and criminal justice systems, road and bridge maintenance and general administrative services. In addition, the County operates a landfill transfer station.

The County's basic financial statements have been prepared in conformity with accounting principles established by the Governmental Accounting Standards Board that define the reporting entity as the primary government as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based on these criteria the County reports no component units.

The Huron County Board of Health and the Huron County Soil and Water Board have been excluded from the Huron County reporting entity, except as discussed below, since the County does not appoint a voting majority of these organizations' boards, and the organizations are not fiscally dependent upon the County. Based on the structure of Ohio counties, the County Auditor and Treasurer serve respectively as the fiscal officer and custodian of funds for these organizations. The cash funds of these organizations have been included with the agency funds to demonstrate the County's custodial capacity.

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.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

Government-wide Financial Statements: The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County’s governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

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

- * **General Fund:** This fund accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The primary revenue sources are sales and use taxes, property taxes, state and local government fund receipts, investment earnings and charges for services.
- * **Board of Mental Retardation Special Revenue Fund:** This fund accounts for County-wide property tax levy, state grants and reimbursements used for care and services for the mentally handicapped and retarded.
- * **Job & Family Services Special Revenue Fund:** This fund accounts for all federal and state grants and reimbursements as well as transfers from the General Fund used for human services.
- * **Motor Vehicle and Gas Tax Special Revenue Fund:** This fund accounts for monies received by the County for state gasoline tax and vehicle registration fees used for County road and bridge improvement programs.

Proprietary Fund: Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows. These funds are used to account for operations that provide services, which are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes. The County reports the following major proprietary fund:

- * **Landfill Fund:** This fund is used to account for operations that provide services that are financed primarily by user charges or activities for landfill dumping and recycling of Huron County solid wastes.
- * **Health Insurance Internal Service Fund:** To account for claims and administration of the health insurance program for covered County employees and eligible dependents.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

Additionally the County reports which Internal Service Funds account for the goods or services provided by certain County departments to other County funds, departments and other governmental units, on a cost reimbursement basis. The County also reports agency funds that account for and maintain assets held by the County or as an agent for individuals, private organizations, and other governmental units and other funds. These assets include: property and other taxes, as well as other intergovernmental resources that have been collected and which will be distributed to other taxing districts located in Huron County.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Huron County Landfill/Solid Waste District and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the County are prepared in conformity with accounting principles generally accepted in the United States (GAAP) for local government units as prescribed in statements and interpretations issued by the GASB and other recognized authoritative sources. The County has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

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

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

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

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

Fiduciary funds are reported using the economic resources measurement focus.

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

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

Budgetary Information: Under Ohio law, the Board of County Commissioners must adopt an appropriations budget by January 1st of a give year, or adopt a temporary appropriation measure with final passage of a permanent budget by April 1st, for all funds except Agency Funds. Budgets are legally required for each organizational unit by object (personal services, materials and supplies, charges for services and capital outlays and equipment).

Each County department prepares a budget that is approved by the Board of County Commissioners. The budget manager in the Auditor's Office can make modifications to the original budget within expenditure objects. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations at the object level (the legal level of control). Unencumbered and unexpended appropriations lapse at year-end. Encumbered and unpaid appropriations (reserved for encumbrances) are carried forward to the next year as authority for expenditures.

The County's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budget basis and the GAAP basis are: (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP) and (2) Expenditures are recorded when encumbered, or paid in cash (budget), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, which include amendments to the original appropriation, for each fund type by expenditure function and revenue source are presented in the *Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (non-GAAP Budgetary Basis) – All Governmental Fund Types*. The difference

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

between the accrual and cash basis statements was not significant. The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

Cash Equivalents: Investments of the cash management pool, and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are considered to be investments.

Inventory of Materials and Supplies: Inventory is valued at cost using the first-in, first-out method. Inventory is recorded as an expenditure/expense when consumed.

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

Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized, as projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

- Furniture, fixtures and equipment 5-20 years
- Buildings, structures, improvements 20-40 years
- Land improvements 40 years
- Infrastructure 20-40 years

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

Grants and Other Intergovernmental Revenues: Local Government fund revenues are recorded as receivables and revenues when measurable and available. Assistance awards made on the basis of entitlement are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal and State reimbursement type grants for the acquisition or construction of capital assets are recorded as receivables and contributed capital when the related expenses are incurred. All other Federal and State reimbursement type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred.

Interfund Transactions: During the normal course of operations, the County has numerous transactions between funds. These transactions include charges for services provided by an Internal Service fund to other funds and operating transfers. Transfers represent transfers of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in Governmental Fund Types and as transfers in Proprietary funds.

The Internal Service funds record charges for services to all County funds, departments and other governmental units as operating revenue. Both Governmental and Proprietary funds record these payments to the Internal Service funds as operating expenditures/expenses.

Compensated Absences: The County records accumulated unpaid vacation, over time pay and vested sick time benefits as accrued wages and benefits payable when earned by employees. The entire compensated absences liability is reported on the governmental-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative written approval for carry-over is obtained. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees with a minimum of ten years of service are paid one-fourth of accumulated sick time upon retirement with a maximum of 30 days. In general, employees are eligible to be paid for unused compensatory time upon termination of employment. All sick, vacation and compensatory payments are made at employees' current wage rates.

Self-Funded Insurance: The County is self-funded for health, dental and vision benefits. All three plans are administered by Anthem Benefit Administrators, which provides claims review and processing services. Each County fund is charged for its proportionate share of the cost for covered employees. Likewise, most county employees have a minimal premium deducted from

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

their bi-weekly payroll to cover their share of the insurance cost. Payment of these benefits is accounted for in an internal service fund. The County records a liability for incurred but unreported claims at year-end based upon an actuarial estimate provided by Anthem.

Fund Balance Reservations and Designations: The County reserves portions of fund balances that are legally segregated for specific future uses or that do not represent available, spendable resources and, therefore, are not appropriable for expenditures. Designations of fund balances are amounts that have been designated by management for a specific future use, which are not legally segregated. Undesignated fund balances are not reserved nor designated and are appropriable in future periods.

Prepaid Items: Payments made to vendors for services that benefit future periods are recorded as prepaid items in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

NOTE C – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

I. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds, and net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore not reported in the funds.” Details of this difference are as follows:

Bonds payable.....	\$ 8,193,369
Compensated absences.....	<u>1,502,053</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental funds.....	<u>\$ 9,695,422</u>

II. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between net changes in *fund balances – total governmental funds and changes in net assets of governmental activities*. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activi-

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

ties, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses.” The details of the difference are as follows:

Capital outlay	\$ 809,042
Fixed asset additions in excess of capital outlay.....	1,606,054
Depreciation expense.....	<u>(4,099,335)</u>
<i>Net adjustment</i>	<u>\$ 1,684,239</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this difference are as follows:

Principal retirement.....	\$ 405,000
<i>Net adjustment</i>	<u>\$ 405,000</u>

NOTE D – POOLED CASH AND CASH EQUIVALENTS, SEGREGATED CASH, INVESTMENTS AND DEPOSITS

To improve cash management, cash received by the County is pooled in a central bank account, which is managed by the County Treasurer. Amounts for all funds including proprietary funds, are maintained in this account or are temporarily used to purchase short-term investments. Individual fund integrity is maintained through the County’s records. Each fund’s interest in the pooled bank accounts is presented as cash and cash equivalents, and investments on the balance sheet. Investments are limited to STAR Ohio, certificates of deposit, U.S. Treasury Obligations and Mortgage-backed Securities and a revenue Bond anticipation note. These investments are stated at fair value. Money market investments that mature within one year of acquisition and participating interest-earning investment contracts that mature within one year of acquisition are reported at amortized cost.

Investment income is recorded in the General, various Special Revenue and Self-funded Health Insurance funds. Investment income in the General fund includes earnings on all pooled investments. Investment income earned during 2003 totaled approximately \$499,000.

The County uses separate bank accounts for resources not deposited with the County Treasurer. These interest bearing depository accounts are presented in the Combined Balance Sheet as “Segregated Cash Accounts.”

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

Legal Provisions: The County Treasurer is permitted by Ohio law to deposit or invest County funds provided that they mature or are redeemable within two years from date of purchase. The Treasurer is permitted to invest or deposit in the following classification of obligations:

- 1) Obligations of, or backed by the faith of, the United States Government.
- 2) Obligations issued by and Federal agency.
- 3) Deposits in institutions eligible under Ohio law. All deposits are collateralized with eligible securities, as described by state statutes, which are pledged to a collateral pool for each individual financial institution, in amounts equal to at least 110% of the carrying value of all public deposits held by each institution.
- 4) Obligations of the State.
- 5) Repurchase agreements with institutions eligible under Ohio law not to exceed 30 days, where the institution agrees unconditionally to repurchase any of the securities listed in (1) or (2).
- 6) Commercial paper issued by any corporation incorporated under the laws of the United States or a state if both of the following conditions apply. Two nationally recognized rating agencies rank the commercial paper in either of their two highest categories; the total amount invested in commercial paper at any time does not exceed five per cent of the county's total average portfolio, as determined and calculated by the investing authority.
- 7) Bankers acceptances, if the following conditions are met: The acceptances mature in two hundred seventy days or fewer from the date of settlement; the acceptances are eligible for purchase by the federal reserve system; the total amount invested in bankers acceptances at any time does not exceed ten per cent of the county's total average portfolio, as determined and calculated by the investing authority.
- 8) The State Treasurer's Investment pool (STAR Ohio). Investment authority for the State Treasurer's Investment pool is established by the State Legislature and reflected in the Ohio Revised Code.
- 9) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

The Governmental Accounting Standard Board (GASB Statement 3) has established credit risk categories for deposits and investments.

Category 1 – Investments that are insured or registered, or securities held by the County or its agent in the County’s name.

Deposits that are insured or collateralized with securities held by the County or its agent in the County’s name.

Category 2 – Investments that are uninsured and unregistered, with securities held by the counter party’s trust department or agent in the County’s name.

Deposits that are collateralized with securities held by the pledging financial institution’s trust department or agent in the County’s name.

Category 3 – Investments that are uninsured or unregistered, with securities held by the counter party, or by its trust department or agent but not in the County’s name.

Deposits that are uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County’s name.

Based on the above criteria, the County’s deposits and investments at December 31, 2003 are classified as follows:

Amount Available for
Deposit or Investment

Carrying amounts per combined balance sheet:

Pooled	\$ 15,740,395
Segregated	557,676
Outstanding Checks	983,908
Other reconciling items (net)	<u>152,567</u>
Amount available for deposit and investment (Bank balances of deposits/fair value of Investments)	<u>\$ 17,434,546</u>

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

	Risk Category			Bank Balance	Fair Value
	1	2	3		
Deposits: At year-end the County had the following deposits eligible under Ohio law:					
FDIC Insured deposits	\$ 631,979	\$ -	\$ -	\$ 631,979	
Insured by the financial institutions collateral pool	-	-	6,131,244	6,131,244	
Certificates of deposit	3,130,000	-		3,130,000	
Total deposits	<u>\$ 3,761,979</u>	<u>\$ -</u>	<u>\$ 6,131,244</u>	<u>\$ 9,893,223</u>	
Investments: At year-end the County had the following investments:					
United States Agency Securities	\$ 5,984,952	\$ -	\$ -	\$ -	\$ 5,984,952
Investment in the state treasurer's investment pool (1)					<u>1,556,371</u>
Total investments	<u>\$ 5,984,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,541,323</u>

(1) The County's investment in the State Treasurer's investment program is not categorized because they are not evidenced by securities that exist in physical or book entry form. The fair value of the position in the investment pool is the same as the value of the pool shares.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

NOTE E – TRANSFERS

Transfers to/from other fund balances during 2003 are as follows:

Transfer From	Transfer To			Total
	General Fund	Nonmajor Governmental	Landfill Fund	
General	\$ 0	\$ 428,500	\$ 336,000	\$ 764,500
Board of Mental Retardation	0	180,000	0	180,000
Nonmajor Governmental	0	50,864	0	50,864
Landfill	5,000	81,780		86,780
TOTAL	\$ 5,000	\$ 741,144	\$ 336,000	\$ 1,082,144

Transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

NOTE F – CAPITAL ASSETS

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

Governmental activities:	Beginning Balance	Increase	Decrease	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,370,253	\$ -	\$ -	\$ 1,370,253
<i>Total capital assets, not being depreciated</i>	<u>1,370,253</u>	<u>-</u>		<u>1,370,253</u>
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	30,430,762	414,721	-	30,845,483
Furniture, fixtures and equipment	8,851,822	428,399	765,131	8,515,090
Infrastructure	78,882,164	1,911,256	-	80,793,420
<i>Total capital assets being depreciated</i>	<u>\$ 118,164,748</u>	<u>\$ 2,754,376</u>	<u>\$ 765,131</u>	<u>\$ 120,153,993</u>
<i>Less accumulated depreciation for:</i>				
Buildings, structures and improvements	\$ 16,509,294	\$ 501,349	\$ -	\$ 17,010,643
Furniture, fixtures and equipment	4,690,952	669,300	425,851	4,934,401
Infrastructure	43,959,026	2,928,686	-	46,887,712
<i>Total accumulated depreciation</i>	<u>65,159,272</u>	<u>4,099,335</u>	<u>425,851</u>	<u>68,832,756</u>
<i>Total capital assets being depreciated, net</i>	<u>53,005,476</u>	<u>(1,344,959)</u>	<u>339,280</u>	<u>51,321,237</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 54,375,729</u>	<u>\$ (1,344,959)</u>	<u>\$ 339,250</u>	<u>\$ 52,691,490</u>

Business-type activities:

Capital assets, not being depreciated:

Huron County, Ohio
Notes to the Financial Statements
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Land	\$ 307,678	\$ -	\$ -	\$ 307,678
Total capital assets, not being depreciated	307,678	-	-	307,678
<i>Capital assets, being depreciated:</i>				
Buildings, structures and improvements	\$ 1,514,302	\$ -	\$ -	\$ 1,514,302
Land improvements	2,867,842	-	-	2,867,842
Furniture, fixtures and equipment	1,011,897	184,000	425,851	770,046
Total capital assets being depreciated	5,394,041	184,000	425,851	5,152,190
<i>Less accumulated depreciation for:</i>				
Buildings, structures and improvements	\$ 441,600	\$ 37,857	\$ -	\$ 479,457
Land improvements	1,188,354	88,633	-	1,276,987
Furniture, fixtures and equipment	684,623	57,618	302,962	439,279
Total accumulated depreciation	2,314,577	184,108	302,962	2,195,723
Total capital assets being depreciated, net	3,079,464	(108)	122,889	2,956,467
<i>Business-type activities capital assets, net</i>	\$ 3,387,142	\$ (108)	\$ 122,889	\$ 3,264,145

Depreciation expense was charged to functions and programs of the County as follows:

Governmental activities:	
General government	\$ 235,249
Public Safety	256,807
Public Works	3,195,792
Health	8,487
Human Services	362,259
Miscellaneous	40,741
<i>Total depreciation expense – governmental activities</i>	<u>\$ 4,099,335</u>
Business-type activities:	
Landfill/Solid Waste District	<u>\$ 184,108</u>

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

NOTE G – LONG-TERM DEBT AND OTHER OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued 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.

Long-term Bonds: All long-term debt issued for governmental purposes of the County and special assessment bonds are retired from the Debt Service Fund. General Obligation bonds are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio Law.

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$ million.

In prior years, the County defeased certain general obligation bonds by placing new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2003, \$1,589,000 of bonds outstanding are considered defeased. Principal balance of the landfill bonds has been reduced by unamortized deferred amount on refunding of \$111,259.

Under the Uniform Bond Act of the Ohio Revised Code, the County's overall legal debt margin is \$25.7 million.

Capital Lease Obligations: The County has entered into certain agreements, which are, in substance, lease purchases and are classified as capital leases in the financial statements.

The County's future minimum lease payments under lease obligations, which have been capitalized as of December 31, 2003, are as follows:

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

<u>Year</u>	<u>Business Ty</u> <u>Capital lease</u>	<u>Activities</u>
2004	\$ 25,988	
2005	25,988	
2006	25,988	
2007	<u>25,988</u>	
	103,952	
Less: amount representing interest	<u>7,357</u>	
Present value of future minimum lease payments	<u>\$ 96,595</u>	

Conduit Debt Obligations: To provide for building expansion and equipment purchases, the County has issued two series of Ohio hospital facilities revenue bonds to a local medical center and a series of industrial development revenue bonds to an area business. These bonds are obligations of the respective borrowers and the bonds do not constitute a debt or pledge of the faith and credit of the County or the State, and accordingly have not been reported in the accompanying financial statements.

At December 31, 2003, the total outstanding on these revenue bonds aggregated \$35,630,000.

Closure and Post closure Care Costs: State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County decided to stop accepting waste through December 31, 1998 when the landfill was changed to a transfer station. Accordingly, the \$2,896,808 reported as landfill closure and post closure care liability represents the total amount of estimated closure and post closure costs. These amounts are based on what it would cost to perform all closure and post closure care. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

At December 31, 2003, the Landfill Enterprise Fund had a deficit-retained earnings balance of (\$892,874), which was caused by closure and post closure costs incurred by the County. The deficit will be covered by future user charges from the recycling facility and subsidies from the General Fund.

Long-term debt and other obligations of the County at December 31, 2003 were as follows:

Huron County, Ohio
Notes to the Financial Statements
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	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003	Amounts Due In One Year
BONDS					
Enterprise Fund Obligation Bonds—1996 Landfill, 3.85%-5.6%, due serially through 2009	\$ 1,786,502		\$ 212,761	\$ 1,573,741	\$ 245,000
Governmental Funds:					
General Obligation Bonds 2002 Various Purpose Improvement and Re-fund 2%-4.6%, due serial through 2021	2,965,000		205,000	2,760,000	205,000
General Obligation Bonds 1994 Human Services Building 2%-4%, due serial through 2013	1,875,000			1,875,000	0
General Obligation Bonds 1996 Jail Facility 4.00%-5.85% due serially through 2016	3,758,369	-	200,000	3,558,369	210,000
Subtotal Governmental Fund Obligations	8,598,369	-	405,000	8,193,369	415,000
TOTAL BONDS	\$ 10,384,871	\$ -	\$ 617,761	\$ 9,767,110	\$ 660,000

**OTHER
OBLIGATIONS**

Accrued wages & benefits	\$ 1,436,536	\$ 65,517		\$ 1,503,053	\$ -
Landfill closure and post-closure care costs	\$ 2,452,893	\$ 443,915		\$ 2,896,808	\$ -
Obligations under capital leases:					
Enterprise Fund	\$ 84,957	\$ 96,595	\$ 84,957	\$ 96,595	\$ 22,847

A summary of the County's future long-term debt funding requirements as of December 31, 2003 follows:

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

Year	Governmental General Obligation		Enterprise General Obligation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 415,000	\$ 288,920	\$ 245,000	\$ 90,148	\$ 660,000	\$ 379,068
2005	425,000	274,215	260,000	77,775	685,000	351,990
2006	440,000	258,785	275,000	64,385	715,000	323,170
2007	343,369	347,976	285,000	49,810	628,369	397,786
2008	465,000	235,432	300,000	34,420	765,000	269,852
2009-2013	2,640,000	834,335	208,741	17,920	2,838,741	852,255
2014-2018	2,630,000	680,748	-	-	2,630,000	680,748
2019-2021	835,000	81,380	-	-	835,000	81,380
TOTAL	\$8,193,369	\$3,001,791	\$ 1,573,741	\$334,458	\$9,767,110	\$ 3,336,249

Accrued Wages and Benefits: Unpaid vested hours at December 31, 2003 representing this liability for all governmental funds are as follows:

Hours

Vacation.....	48,363
Sick.....	28,202

Deferred Compensation: County employees have the option of participating in two statewide-deferred compensation plans, created in accordance with the *Internal Revenue Code Section 457*. Under these plans, employees elect to have a portion of their pay deferred until a future time. According to these plans, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee.

All amounts of compensation deferred under these plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE H- PENSION AND POSTRETIREMENT BENEFIT OBLIGATIONS

All eligible employees of the County, participate in the Public Employees Retirement System of Ohio (PERS). Ohio Public Employees Retirement Systems (OPERS) administers three separate pension plans. 1) *The Traditional Pension Plan (TP)* – a cost-sharing multiple-employer defined

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

benefit pension plan. 2) *The Member-Directed Plan (MD)* – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. 3) *The Combined Plan (CO)* – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute under Chapter 145 of the Ohio Revised Code.

Law enforcement officers consisting of sheriffs and deputy sheriffs contribute 10.1% of their annual compensation and the County contributes 16.7% of the same base. All other members of PERS law enforcement programs were placed on a public safety division and continue to contribute at 9%. All other eligible County employees contribute 8.5% of their annual compensation with the County contributing 13.55% of the same amount. The County's contribution to PERS for the years ending December 31, 2003, 2002, and 2001 were \$3,062,283, \$2,968,415 and \$2,777,809 respectively, equal to the requested contribution for each year. All contributions to PERS were made within the required due dates. The Ohio Revised Code provides statutory authority for employee and employer contributions.

Teachers for the Board of Mental Retardation participate in the State Teachers Retirement System of Ohio (STRS). STRS is also a statewide cost-sharing multiple-employer public employee retirement system administered and controlled by the State.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options – Effective July 1, 2001, two new plan options were offered to selected members. New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, members' contributions are allocated by the member and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a

Huron County, Ohio
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biweekly basis. 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.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (a) five years of service credit and attained age 60; (b) 25 years of service credit and attained age 55; or (c) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits – Member contributions are allocated by the member and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Benefits are increased annually by 3% of the original base amount.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years' 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. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

STRS contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. State statute provides authority for employee and employer contributions. Earnings for STRS plan members were required to contribute 9.3% of their annual covered salary through June 30, 2003 and 10% on earnings after July 1, 2003. The County is required to contribute 14%. The contribution requirements of plan members and the County is established and may be amended by state statute. The County's contributions to STRS for the years ending December 31, 2003, 2002 and 2001 were \$68,355, \$64,912 and \$73,066 respectively, equal to the required contributions for the years. All contributions to STRS were made within the required due dates.

NOTE I – OTHER POST-RETIREMENT OBLIGATIONS

In addition to pension benefits, OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Huron County, Ohio
Notes to the Financial Statements
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The Ohio Revised Code provides the statutory authority requiring public employees to fund post-retirement health care through their contributions to OPERS. OPERS provides post-retirement health coverage to age and service retirees with ten (10) or more years qualifying Ohio service credit. Health care coverage for disability recipients and to primary survivor recipients of such retirees is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employers, the rate was 13.55% of covered payroll and 16.7% for law enforcement employers, with 5.0% used to fund healthcare for regular employees and law enforcement employees.

The following assumptions and calculations were based on OPERS latest actuarial review performed as of December 31, 2002.

An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The differences between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investments assumption rate for 2002 was 8%.

An annual increase of 4% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from .5% to 6.3%. Health care costs were assumed to increase 4% annually.

OPEBs are advance-funded on an actuarially determined basis. At December 31, 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The rates stated above are the actuarially determined contribution requirements for OPERS. The employer contributions to fund post-employment benefits in 2003 was \$1,129,982 million. The portion of employer contributions used to fund post-employment benefits can be determined by multiplying actual employer contributions times .3690 for local government employers and .2994 for law enforcement employers.

The actuarial value of the Retirement System's net assets available for OPEB was \$10 billion at December 31, 2002 (the latest information available). The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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

The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to: Public Employees Retirement System, 277 East Town Street, Columbus OH 43215-4642 or calling 614-222-6705.

In addition to pension benefits, STRS also provides access to health care coverage to retiree's who participate in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursements of monthly Medicare B premiums.

The Ohio Revised Code provides statutory authority allowing the STRS board of trustees to provide health care coverage to all eligible employees, spouses and dependents. The Board has the discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. The retirement board allocates employer contributions to the Health Care Stabilization Fund, which health care benefits are paid. The board allocated 1% of covered payroll for the fiscal year ended June 30, 2003 to a health care stabilization fund within the employer's trust fund. For this fiscal year ended June 30, 2002, 4.5% of covered payroll was allocated to the fund. The balance in the Health Care Stabilization Fund was \$2.8 billion on June 30, 2003. The number of participants eligible to receive health care benefits for STRS as a whole as of July 1, 2003 was 108,294. The STRS plan's net health care costs for the year ended June 30, 2003, as a whole was \$352,301 million. By Ohio law, health care benefits are not guaranteed and the cost of the coverage paid from STRS shall be included in the employer contribution rate currently at 14% of covered payroll.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2003 *Comprehensive Annual Financial Report* will be available after January 1, 2004.

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December 31, 2003

Additional information or copies of STRS Ohio's 2003 *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090 or by visiting the STRS Ohio Web site at www.strsoh.org.

NOTE J - PROPERTY TAXES

Property tax revenues include amounts levied against real, public utility and tangible personal (business) property located in the County. The assessed value, by property classification, upon which taxes collected in 2001 were based, is as follows:

Real Property	\$ 849,407,420
Public Utility and tangible personal property	<u>142,388,260</u>
Total assessed property value	<u>\$ 991,795,680</u>

In 2003, real property taxes were levied on January 1, 2003 on the assessed values as of January 1, 2002, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in 2000. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property taxes were due on May 10, 2003 and October 11, 2003. Tangible property is assessed at 25% of true value (as defined). In 2003, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2003, if paid annually, payment was due by February 14, 2003. If paid semi-annually, the first payment (at least 1/2 of amount (billed) was due February 14, 2003 with the remainder due July 11, 2003.

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.

Accrued property taxes receivable represent current and delinquent taxes outstanding for real, tangible personal and public utility taxes which were measurable as of December 31, 2003. Although total property collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2002 operations. The receivable is therefore offset by a credit to deferred revenue.

Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the County levies 2.1 mills of the 10-mill limit for the General Fund. No additional millage has been levied for voted millage. A summary of voted millage follows:

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<u>Purpose</u>	Voter Authorized Rate (a)	Rate Levied for Current Year Collection		Final Collection Year
		Agriculture/ Residential (b)	Other	
General Fund	None			
Mental Health	.50	.092587	.236507	2005
MRDD Operating	.20	.037034	.094602	(c)
MRDD Operating	1.30	1.185694	1.248092	(c)
MRDD Operating	1.50	1.369312	1.440106	(c)
Senior Citizens	.40	.302718	.354505	2005
Health Operating	.30	.199288	.253431	2006
Health Operating	.20	.132859	.168954	2006
Health Operating	.25	.189875	.218746	2004

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

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

(c) Continuous levy without expiration.

NOTE K - RECONCILIATION OF BUDGET BASIS FUND BALANCE TO GAAP BASIS FUND BALANCE

A reconciliation for all governmental funds at December 31, 2003 from the budget basis to a GAAP basis for excess of revenues and other financing sources over (under) expenses and other uses follows:

	General Fund	Board of Mental Retardation Fund	Job & Family Services Fund	Motor Vehicle & Gas Tax Fund
Budget Basis profit (deficit)	\$(1,255,884)	\$ (467,029)	\$(1,271,365)	\$(326,740)
Net adjustment for revenue accruals	101,980	173,488	2,729	171,508
Net adjustment for expenditure accruals	234,604	(120,078)	232,283	54,459
Net adjustments for other financing	82,438	92,902	85,884	334,801
GAAP Basis	<u>\$ (836,862)</u>	<u>\$ (320,717)</u>	<u>\$ (950,469)</u>	<u>\$ 134,028</u>

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

NOTE L - AMENDMENTS TO ORIGINAL APPROPRIATIONS BUDGET

Amendments beyond the object level must be approved by the Board of County Commissioners. In 2003, there were no adjustments to the original appropriations budget.

NOTE M - COMMITMENTS AND CONTINGENCIES

The County is a defendant in a number of claims and lawsuits, which may be classified as routine litigation in which minimal nonmaterial damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits ranging from tort liability to civil rights litigation in which the County believes the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any, of these claims. It is not possible to predict with certainty the ultimate outcome of all lawsuits or claims pending or threatened against the County. Based on the current status of all legal proceedings for which accruals have not been made in the County's financial statements, it is the opinion of management that the proceedings will not have a material adverse impact on the County's overall financial position. However, depending on the amount and timing of the resolution, some or all of these matters could materially affect the County's results of operations or cash flows for a particular period. Amounts paid by the County in 2003 for litigation settled were not material.

The County participates in a number of Federal and State assisted grant programs. The major programs are: Community Development Block Grant and Ohio Department of Human Services. These programs are subject to financial and compliance audits by grantors or representatives. At December 31, 2003, the audits of certain programs have not yet been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The County believes that disallowed claims, if any, will not have a material adverse effect on the County's financial position.

NOTE N - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established an internal service fund to account for and finance its self-funded employee health care benefits program. Under this program, the fund provides up to a lifetime maximum of \$1,000,000 per individual.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

The County Risk Sharing Authority Inc. (CORSA), is a public entity risk sharing pool among thirty-nine counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. These coverage 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 one 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 CORSA. The County's payment for insurance to CORSA in 2003 was \$234,230.

Each County fund is charged for its appropriate share of covered employees based on actuarial estimates of the amounts needed to pay prior and current year claims. The claim liability of \$408,804 reported in the fund at December 31, 2003 is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The County's liability for these claims is based upon an actuarial estimate by Anthem Benefit Administrators, the plan administrator. Changes in the fund's claim liability amount in 2001, 2002 and 2003 were:

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

<u>Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2002	\$ 373,000	\$ 1,278,198	\$ 1,302,360	\$ 348,838
2003	\$ 348,838	\$ 2,110,701	\$ 2,050,735	\$ 408,804

None of the County's settlements have exceeded the insurance coverage for each of the past three fiscal years.

NOTE O – CHANGE IN ACCOUNTING METHOD

In 2003, the County implemented GASB Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments*", GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*" and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*".

GASB 34 creates new basic financial statements for reporting the County's financial activities. The new governmental reporting model has the following sections: *Management's Discussion and Analysis, Government-wide Financial Statements, and Fund Financial Statements*. Significant changes due to Statement No. 34 include requiring infrastructure assets to be reported as capital assets, and requiring capital assets and general long-term obligations to be reported in the government-wide financial statements rather than in account groups. Infrastructure assets were previously excluded from the financial statements.

During 2003, the following restatements were made to accounts for changes in the County's fund structure and those changes resulting from the application of GASB No. 34 and Interpretation No. 6. These restatements had the following effects on fund balance and nonmajor funds of the County as they were previously reported.

Huron County, Ohio
Notes to the Financial Statements
December 31, 2003

	Previously Reported December 31, 2002	Restatement	As Restated January 1, 2002
General	\$ 3,785,246	\$ 609,953	\$ 4,385,199
Board of Mental Retardation	1,039,387	871,361	1,910,748
Job & Family Services	1,549,163	159,858	1,709,021
Motor Vehicle & Gas Tax	1,789,000	194,088	1,983,088
Other Special Revenue	4,082,600	419,714	4,502,314
Landfill	(1,003,881)	408,202	(595,679)
Expendable Trust Funds	180,031	(180,031)	-

**HURON COUNTY, OHIO
GENERAL FUND
DECEMBER 31, 2003**

The general fund is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

HURON COUNTY, OHIO
GENERAL FUND
STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2003

	Original	Final	Actual	Variance With Final Budget
Expenditures:				
Current:				
General government-				
Legislative and executive				
Commissioners-				
Personal services.....	\$376,874	\$381,186	\$371,057	\$10,129
Materials and supplies.....	8,500	7,800	3,819	3,981
Charges and services.....	12,868	20,213	17,222	2,991
Microfilm-				
Personal services.....	44,084	44,256	44,243	13
Materials and supplies.....	1,500	1,500	1,430	70
Charges and services.....	1,200	1,200	1,130	70
Data Processing				
Personal services.....	85,078	86,221	85,571	650
Materials and supplies.....	5,500	5,500	4,683	817
Charges and services.....	96,995	96,995	94,618	2,377
Capital purchases.....	2,100	2,100	2,100	0
Auditor-				
Personal services.....	306,079	306,296	303,124	3,172
Materials and supplies.....	8,980	8,980	8,666	314
Charges and services.....	21,575	21,575	21,348	227
Treasurer-				
Personal services.....	155,171	156,611	155,854	757
Materials and supplies.....	13,716	13,716	13,716	0
Charges and services.....	10,400	13,618	12,560	1,058
Capital purchases.....	501	501	358	143
Prosecutor-				
Personal services.....	455,350	459,834	451,512	8,322
Materials and supplies.....	4,800	4,800	4,783	17
Charges and services.....	37,650	37,650	36,827	823
Board of revision-				
Charges and services.....	900	900	844	56
Board of elections-				
Personal services.....	228,769	230,133	214,320	15,813
Materials and supplies.....	13,875	15,700	10,252	5,448
Charges and services.....	47,500	56,000	46,285	9,715
Capital purchases.....	1,500	5,000	2,456	2,544

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HURON COUNTY, OHIO
GENERAL FUND
STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2003

	Original	Final	Actual	Variance With Final Budget
<hr/>				
Building maintenance-				
Personal services.....	385,873	387,004	375,495	11,509
Materials and supplies.....	64,023	64,023	54,626	9,397
Charges and services.....	542,597	542,597	441,926	100,671
Capital purchases.....	1,824	1,824	1,792	32
Recorder-				
Personal services.....	118,613	119,754	119,117	637
Materials and supplies.....	3,300	3,300	3,273	27
Charges and services.....	6,000	6,000	5,872	128
Mechanic-				
Personal services.....	41,509	41,657	41,623	34
Materials and supplies.....	24,000	24,000	23,967	33
Travel & training				
Travel and training.....	25,000	25,140	7,906	17,234
Insurance & taxes				
Charges and services.....	1,666,000	1,684,544	1,463,996	220,548
Bureau of inspection				
Charges and services.....	71,000	73,303	73,302	1
Planning Commission				
Charges and services.....	500	500	88	412
Real estate assessment				
Personal services.....	69,989	69,989	69,731	258
New Jail				
Charges and services.....	<u>20,869</u>	<u>20,869</u>	<u>10,869</u>	<u>10,000</u>
Total legislative and exec	5,257,562	5,199,766	4,632,658	567,108
Judicial				
Common pleas court-				
Personal services.....	305,371	319,241	316,422	2,819
Materials and supplies.....	7,000	6,850	6,850	0
Charges and services.....	118,200	109,534	91,455	18,079
Capital purchases.....	9,000	9,000	9,000	0
Jury commission-				
Personal services.....	1,065	1,065	989	76
Charges and services.....	200	200	150	50
Court of appeals				
Charges and services.....	385	385	0	385

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HURON COUNTY, OHIO
GENERAL FUND
STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2003

	Original	Final	Actual	Variance With Final Budget
Juvenile court-				
Personal services.....	412,796	401,848	360,097	41,751
Materials and supplies.....	27,500	27,500	24,905	2,595
Charges and services.....	69,700	69,700	50,240	19,460
Probate court-				
Personal services.....	102,048	96,452	93,151	3,301
Materials and supplies.....	5,000	5,000	4,756	244
Charges and services.....	4,300	4,300	1,973	2,327
Clerk of courts-				
Personal services.....	251,417	281,256	276,042	5,214
Materials and supplies.....	29,300	41,300	40,583	717
Charges and services.....	12,500	12,550	10,772	1,778
Public defender				
Personal services.....	200,182	201,213	197,065	4,148
Materials and supplies.....	1,500	1,500	1,499	1
Charges and services.....	34,358	33,937	33,477	460
Education				
Charges and services.....	500	500	500	0
Municipal court-				
Charges and services.....	200,977	200,977	151,386	49,591
Miscellaneous				
Charges and services.....	552,348	566,635	313,293	253,342
Capital purchases.....	<u>150,000</u>	<u>150,000</u>	<u>60,467</u>	<u>89,533</u>
Total judicial.....	2,495,647	2,540,943	2,045,072	495,871
Public safety				
Coroner-				
Personal services.....	44,544	44,319	43,830	489
Materials and supplies.....	200	200	122	78
Charges and services.....	19,600	29,100	28,811	289
Sheriff-				
Personal services.....	1,547,749	1,616,587	1,609,828	6,759
Materials and supplies.....	77,900	79,900	69,933	9,967
Charges and services.....	63,234	57,734	51,603	6,131
Capital purchases.....	12,800	12,800	10,652	2,148

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HURON COUNTY, OHIO
GENERAL FUND
STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2003

	Original	Final	Actual	Variance With Final Budget
Disaster services-				
Personal services.....	103,934	104,264	103,610	654
Materials and supplies.....	600	600	600	0
Charges and services.....	7,150	7,113	7,064	49
Adult probation-				
Materials and supplies.....	3,000	3,000	3,000	0
Charges and services.....	1,400	1,400	1,400	0
Juvenile probation				
Personal services.....	280,057	297,078	287,729	9,349
Charges and services.....	4,000	4,000	2,752	1,248
Juvenile detention				
Charges and services.....	215,000	215,000	179,403	35,597
Jail Operations-				
Personal services.....	1,753,580	1,713,742	1,655,219	58,523
Materials and supplies.....	489,613	520,253	473,217	47,036
Charges and services.....	233,253	243,637	226,414	17,223
Capital purchases.....	30,000	23,490	17,257	6,233
Total public safety.....	4,887,614	4,974,217	4,772,444	201,773
Health				
Health/Welfare				
Charges and services.....	12,000	12,000	12,000	0
Health Statistics				
Charges and services.....	85,050	94,607	94,551	56
Total health.....	97,050	106,607	106,551	56
Human services				
Childrens Service				
Charges and services.....	650,000	650,000	650,000	0
Public assistance				
Charges and services.....	230,911	230,911	230,911	0
Soldiers relief				
Personal services.....	202,000	202,000	170,528	31,472
Materials and supplies.....	15,000	15,000	4,301	10,699
Charges and services.....	220,000	220,000	80,396	139,604
Capital purchases.....	35,000	35,000	4,519	30,481

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HURON COUNTY, OHIO
 GENERAL FUND
 STATEMENT OF EXPENDITURES DETAIL - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 YEAR ENDED DECEMBER 31, 2003

	Original	Final	Actual	Variance With Final Budget
Veterans service				
Charges and services.....	18,000	18,000	7,238	10,762
Total human services.....	1,370,911	1,370,911	1,147,893	223,018
Miscellaneous				
Agriculture				
Charges and services.....	358,000	358,000	358,000	0
Humane Society				
Charges and services.....	4,000	4,000	4,000	0
Airport				
Charges and services.....	20,000	20,000	20,000	0
Total miscellaneous.....	382,000	382,000	382,000	0
Capital Outlay				
Charges and services.....	115,632	115,632	55,587	60,045
Total expenditures.....	14,578,061	14,690,076	13,142,205	1,547,871
Other financing uses:				
Transfers - out.....	896,500	905,000	764,500	132,000
Total expenditures and other financing uses.....	\$15,474,561	\$15,595,076	\$13,906,705	\$1,679,871

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

**HURON COUNTY, OHIO
NONMAJOR GOVERNMENTAL
DECEMBER 31, 2003**

SPECIAL REVENUE FUNDS - The Special Revenue funds account for all specific financial resources (other than expendable trusts, or major capital projects) that are legally restricted for specified expenditure purposes. The following are the Special Revenue funds, which Huron County operates:

Mental Health - To account for revenues received from a Countywide property tax levy, Federal and State grants, and reimbursements used for various County mental health programs.

Child Support Enforcement - To account for revenues from: fees, fines, State grants and other similar revenue sources, and to account for legally restricted expenditures used for the collection and protection of support payments made and owed to parents and children.

Real Estate Assessment – To account for State mandated County-wide real estate appraisals.

Children's Services - To account for State grants and reimbursements used for County childcare programs.

Comprehensive Housing Program – To account for revenue received from the State of Ohio in assisting with repair of homes meeting certain income qualifications.

Other Special Revenue Funds - To account for revenues from fees, taxes, fines, Federal and State grants, licenses and other similar revenue sources, and to account for legally restricted expenditures for specified purposes. Summarized information on the financial activity and balances of the following Special Revenue funds include:

- * D.A.R.E. (Drug Abuse & Resistance Education)
- * Drug & Law Enforcement
- * DUI Enforcement and Education
- * Indigent Guardianship
- * Dog & Kennel
- * Sheriff Policing
- * DRETAC - Prosecutor
- * DRETAC - Treasurer
- * Prepayment of Interest
- * Community Corrections Grant
- * Probation Services
- * Juvenile Accountability Incentive
- * Juvenile Court Security

- * Mediation - Juvenile
- * Annexation Petition
- * Recorders Equipment
- * Title
- * Juvenile Court Computerization
- * Clerk of Courts Computerization
- * Juvenile Indigent Drivers Alcohol Treatment
- * Felony Delinquent Care & Custody
- * Common Pleas Court Computerization
- * Tuberculosis Levy (TB)
- * Marriage License
- * Ditch Maintenance
- * Title I
- * Huron County Block Grant
- * Huron County Revolving Loan
- * Recycle Ohio '02
- * Recycle Ohio '01
- * Partial Taxiway
- * Emergency Management
- * Recycle Ohio '03
- * Muny Road
- * Municipal Court Advocacy
- * Victims Assistance
- * 911 Emergency Equipment
- * MRDD Residential
- * Senior Services Center
- * Local Emergency Planning
- * EMA Hazmat (Revenue used for cleanup of hazardous spills)

When compared to combined special revenue fund totals, other special revenue funds comprise less than 10% in each of the following categories: assets, liabilities, revenues and expenditures.

CAPITAL PROJECT FUNDS - Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). The following are the Capital Projects funds, which Huron County operates:

MRDD Construction - To account for improvements made to and construction of facilities at the Christie Lane School for the mentally retarded.

Permanent Improvement – To account for renovation and construction of County owned buildings and facilities.

County Capital Projects – To account for renovation of the old county jail, improvement of water, sewer and electrical lines of the County Fairgrounds, and demolition of the old Human Services building.

New Voting Equipment – To account for purchases made regarding new voting equipment for the County's Board of Elections.

DEBT SERVICE FUNDS - The debt service fund is used to account for the accumulation of resources and payments of general obligation bond principal and interest from government resources.

HURON COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2003

	Mental Health	Child Support	Real Estate	Children's Services	Comprehensive Housing
Assets:					
Pooled cash and investments.....	\$1,045,716	\$509,409	\$32,858	\$749,009	\$42,938
Receivables (net of allowances for uncollectibles)					
Taxes.....	379,159	0	0	0	0
Accounts.....	0	3,857	0	564	0
Special assessments receivable.....	0	0	0	0	0
Accrued interest.....	0	0	0	0	0
Revolving loans receivable.....	0	0	0	0	0
Due from other governments.....	7,861	79,723	0	28,988	80,887
Prepayments.....	0	0	0	0	0
Materials and supplies inventory.....	0	0	0	0	0
Total assets.....	\$1,432,736	\$592,989	\$32,858	\$778,561	\$123,825
Liabilities:					
Accounts payable.....	\$31,437	\$761	\$4,328	\$311,757	\$76,028
Accrued wages and benefits.....	9,173	29,791	5,066	0	0
Due to other governments.....	0	0	0	0	0
Accrued interest payable.....	0	0	0	0	0
Deferred revenue.....	236,384	0	0	0	0
Total liabilities.....	276,994	30,552	9,394	311,757	76,028
Fund Balances:					
Reserved-					
Reserved for encumbrances.....	286,549	4,639	1,743	395	7,856
Reserved for revolving loans receivable.....	0	0	0	0	0
Reserved for supplies inventory.....	0	0	0	0	0
Reserve for prepayments.....	0	0	0	0	0
Unreserved-					
Undesignated	869,193	557,798	21,721	466,409	39,941
Total fund balances	1,155,742	562,437	23,464	466,804	47,797
Total liabilities and fund balances.....	\$1,432,736	\$592,989	\$32,858	\$778,561	\$123,825

Other Special Revenue Funds	Total	Capital Projects	TOTAL
\$2,463,196	\$4,843,126	\$670,372	\$5,513,498
303,588	682,747	0	682,747
36,678	41,099	0	41,099
134,635	134,635	0	134,635
110	110	555	665
382,607	382,607	0	382,607
17,738	215,197	0	215,197
201	201	0	201
1,766	1,766	0	1,766
\$3,340,519	\$6,301,488	\$670,927	\$6,972,415
\$24,818	\$449,129	\$74,888	\$524,017
40,956	84,986	0	84,986
(888)	(888)	0	(888)
(41)	(41)	0	(41)
313,295	549,679	0	549,679
378,140	1,082,865	74,888	1,157,753
9,215	310,397	10,000	320,397
382,607	382,607	0	382,607
1,766	1,766	0	1,766
201	201	0	201
2,568,590	4,523,652	586,039	5,109,691
2,962,379	5,218,623	596,039	5,814,662
\$3,340,519	\$6,301,488	\$670,927	\$6,972,415

HURON COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

	Mental Health	Child Support	Real Estate	Children Services	Comprehensive Housing
Revenues:					
Taxes.....	\$191,608	\$0	\$0	\$0	\$0
Charges for services.....	0	261,697	417,675	564	0
Special assessments.....	0	0	0	0	0
Fines and forfeitures.....	0	0	0	0	0
Intergovernmental revenue.....	2,134,366	788,071	0	1,965,256	368,118
Investment earnings.....	0	0	0	0	0
Miscellaneous revenue.....	4,575	70,901	25,948	0	25,314
Total revenues.....	2,330,549	1,120,669	443,623	1,965,820	393,432
Expenditures:					
Current:					
General government-					
Legislative and executive.....	0	0	449,523	0	0
Public safety.....	0	0	0	0	0
Public works.....	0	0	0	0	373,594
Health.....	2,123,567	0	0	0	0
Human services.....	0	987,159	0	1,989,870	0
Conservation & recreation.....	0	0	0	0	0
Miscellaneous.....	0	0	0	0	0
Capital outlay.....	0	0	0	0	0
Principal retirement.....	0	0	0	0	0
Interest and fiscal charges.....	0	0	0	0	0
Total expenditures.....	2,123,567	987,159	449,523	1,989,870	373,594
Other financing sources (uses):					
Excess (deficiency) of revenues over (under) expenditures.....	206,982	133,510	(5,900)	(24,050)	19,838
Transfers in.....	0	16,995	0	0	0
Transfers out.....	0	0	0	0	0
Total other sources.....	0	16,995	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	206,982	150,505	(5,900)	(24,050)	19,838
Fund balance January 1.....	948,760	411,932	29,364	490,854	27,959
Fund balance December 31.....	\$1,155,742	\$562,437	\$23,464	\$466,804	\$47,797

Other Special Revenue Funds	Total	Debt Service	Capital Projects	TOTAL
\$474,831	\$666,439	\$0	\$0	\$666,439
758,342	1,438,278	0	0	1,438,278
91,727	91,727	0	0	91,727
10,403	10,403	0	0	10,403
1,091,086	6,346,897	347,788	8,775	6,703,460
74,321	74,321	0	9,622	83,943
188,396	315,134	0	0	315,134
2,689,106	8,943,199	347,788	18,397	9,309,384
585,573	1,035,096	0	0	1,035,096
563,747	563,747	0	0	563,747
251,598	625,192	0	0	625,192
653,730	2,777,297	0	0	2,777,297
177,372	3,154,401	0	0	3,154,401
53,965	53,965	0	0	53,965
49,448	49,448	0	0	49,448
0	0	0	759,205	759,205
0	0	405,000	0	405,000
0	0	425,734	0	425,734
2,335,433	8,259,146	830,734	759,205	9,849,085
353,673	684,053	(482,946)	(740,808)	(539,701)
66,125	83,120	478,024	180,000	741,144
(50,864)	(50,864)	0	0	(50,864)
15,261	32,256	478,024	180,000	690,280
368,934	716,309	(4,922)	(560,808)	150,579
2,593,445	4,502,314	4,922	1,156,847	5,664,083
\$2,962,379	5,218,623	\$0	\$596,039	\$5,814,662

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MENTAL HEALTH SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes.....	\$184,000	\$184,000	\$176,664	(\$7,336)
Intergovernmental revenue.....	2,146,016	2,146,016	2,150,653	4,637
Miscellaneous revenue.....	50,000	50,000	4,575	(45,425)
Total revenues.....	2,380,016	2,380,016	2,331,892	(48,124)
Expenditures:				
Current:				
Personal services.....	186,575	186,575	158,332	28,243
Materials and supplies.....	8,226	8,226	5,551	2,675
Charges and services.....	2,435,940	2,435,940	2,423,641	12,299
Capital purchases.....	5,000	5,000	3,180	1,820
Total expenditures.....	2,635,741	2,635,741	2,590,704	45,037
Deficiency of revenues (under) expenditures.....	(255,725)	(255,725)	(258,812)	(3,087)
Fund balance, January 1.....	805,995	805,995	805,995	0
Prior year encumbrances appropriated...	182,362	182,362	182,362	0
Fund balance, December 31.....	\$732,632	\$732,632	\$729,545	(\$3,087)

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 D.A.R.E. OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Miscellaneous revenue.....	\$14,000	\$14,000	\$25,576	\$11,576
Total revenues.....	14,000	14,000	25,576	11,576
Expenditures:				
Current:				
Personal services.....	10,936	10,936	3,584	7,352
Materials and supplies.....	7,000	7,000	3,067	3,933
Total expenditures.....	17,936	17,936	6,651	11,285
Excess (deficiency) of revenues over (under) expenditures.....	(3,936)	(3,936)	18,925	22,861
Fund balance, January 1.....	8,036	8,036	8,036	0
Fund balance, December 31.....	\$4,100	\$4,100	\$26,961	\$22,861

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 DRUG LAW ENFORCEMENT OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures.....	\$2,250	\$2,250	\$1,315	(\$935)
Total revenues.....	2,250	2,250	1,315	(935)
Expenditures:				
Current:				
Charges and services.....	5,000	5,000	709	4,291
Total expenditures.....	5,000	5,000	709	4,291
Excess (deficiency) of revenues over expenditures.....	(2,750)	(2,750)	606	3,356
Fund balance, January 1.....	2,750	2,750	2,750	0
Fund balance, December 31.....	\$0	\$0	\$3,356	\$3,356

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 D.U.I. EDUCATION OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures.....	\$1,927	\$1,927	\$1,121	(\$806)
Total revenues.....	1,927	1,927	1,121	(806)
Expenditures:				
Current:				
Charges and services.....	4,000	4,000	0	4,000
Total expenditures.....	4,000	4,000	0	4,000
Excess (Deficiency) of revenues over (under) expenditures.....	(2,073)	(2,073)	1,121	3,194
Fund balance, January 1.....	2,073	2,073	2,073	0
Fund balance, December 31.....	\$0	\$0	\$3,194	\$3,194

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 INDIGENT GUARDIANSHIP OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$19,459	\$19,459	\$15,024	(\$4,435)
Total revenues.....	19,459	19,459	15,024	(4,435)
Expenditures:				
Current:				
Charges and services.....	29,000	29,000	13,508	15,492
Total expenditures.....	29,000	29,000	13,508	15,492
Excess (deficiency) of revenues over expenditures.....	(9,541)	(9,541)	1,516	11,057
Fund balance, January 1.....	9,541	9,541	9,541	0
Fund balance, December 31.....	\$0	\$0	\$11,057	\$11,057

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
DOG & KENNEL OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$123,600	\$123,600	\$161,287	\$37,687
Fines and forfeitures.....	4,000	4,000	7,942	3,942
Miscellaneous revenue.....	1,000	1,000	1,509	509
Total revenues.....	128,600	128,600	170,738	42,138
Expenditures:				
Current:				
Personal services.....	135,400	135,400	119,634	15,766
Materials and supplies.....	12,000	12,000	7,910	4,090
Charges and services.....	51,195	51,195	14,365	36,830
Capital purchases.....	18,000	18,000	2,831	15,169
Total expenditures.....	216,595	216,595	144,740	71,855
Excess (deficiency) of revenues over (under) expenditures.....	(87,995)	(87,995)	25,998	113,993
Fund balance, January 1.....	86,495	86,495	86,495	0
Prior year encumbrances appropriated.....	1,500	1,500	1,500	0
Fund balance, December 31.....	\$0	\$0	\$113,993	\$113,993

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SHERIFF POLICING OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$30,598	\$30,598	\$27,851	(\$2,747)
Total revenues.....	30,598	30,598	27,851	(2,747)
Expenditures:				
Current:				
Capital outlay.....	30,000	30,000	166	29,834
Total expenditures.....	30,000	30,000	166	29,834
Excess of revenues over expenditures.....	598	598	27,685	27,087
Other financing sources (uses):				
Transfers out.....	(39,500)	(39,500)	(8,724)	30,776
Total other financing sources (uses)....	(39,500)	(39,500)	(8,724)	30,776
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(38,902)	(38,902)	18,961	57,863
Fund balance, January 1.....	38,902	38,902	38,902	0
Fund balance, December 31.....	\$0	\$0	\$57,863	\$57,863

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 DRETAC - PROSECUTOR OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for Services.....	\$24,000	\$24,000	\$34,292	\$10,292
Total revenues.....	24,000	24,000	34,292	10,292
Expenditures:				
Current:				
Personal services.....	65,800	65,800	13,237	52,563
Total expenditures.....	65,800	65,800	13,237	52,563
Excess (deficiency) of revenues over expenditures.....	(41,800)	(41,800)	21,055	62,855
Fund balance, January 1.....	73,240	73,240	73,240	0
Fund balance, December 31.....	\$31,440	\$31,440	\$94,295	\$62,855

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 DRETAC - TREASURER OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for Services.....	\$30,000	\$30,000	\$34,292	\$4,292
Total revenues.....	30,000	30,000	34,292	4,292
Expenditures:				
Current:				
Personal services.....	18,950	18,950	11,909	7,041
Materials and supplies.....	7,000	7,000	7,000	0
Charges and services.....	29,034	29,034	1,390	27,644
Capital purchases.....	18,000	18,000	2,722	15,278
Total expenditures.....	72,984	72,984	23,021	49,963
Excess (deficiency) of revenues over expenditures.....	(42,984)	(42,984)	11,271	54,255
Fund balance, January 1.....	42,984	42,984	42,984	0
Fund balance, December 31.....	\$0	\$0	\$54,255	\$54,255

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 PREPAYMENT OF INTEREST OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Investment revenue.....	\$350	\$350	\$260	(\$90)
Total revenues.....	350	350	260	(90)
Expenditures:				
Current:				
Materials and supplies.....	6,670	6,670	175	6,495
Total expenditures.....	6,670	6,670	175	6,495
Excess (deficiency) of revenues over (under) expenditures.....	(6,320)	(6,320)	85	6,405
Fund balance, January 1.....	6,320	6,320	6,320	0
Fund balance, December 31.....	\$0	\$0	\$6,405	\$6,405

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 COMMUNITY CORRECTIONS OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$55,378	\$55,378	\$53,996	(\$1,382)
Total revenues.....	55,378	55,378	53,996	(1,382)
Expenditures:				
Current:				
Personal services.....	54,486	56,289	54,906	1,383
Charges and services.....	892	892	0	892
Total expenditures.....	55,378	57,181	54,906	2,275
Deficiency of revenues under expenditures.....	0	(1,803)	(910)	893
Fund balance, January 1.....	14,134	14,134	14,134	0
Fund balance, December 31.....	\$14,134	\$12,331	\$13,224	\$893

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 CHILD SUPPORT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$159,000	\$159,000	\$261,697	\$102,697
Intergovernmental revenue.....	766,000	766,000	724,533	(41,467)
Miscellaneous revenue.....	66,000	66,000	67,044	1,044
Total revenues.....	991,000	991,000	1,053,274	62,274
Expenditures:				
Current:				
Personal services.....	652,000	672,000	628,616	43,384
Materials and supplies.....	3,100	3,100	1,449	1,651
Charges and services.....	836,290	816,290	369,585	446,705
Capital purchases.....	3,000	3,000	0	3,000
Total expenditures.....	1,494,390	1,494,390	999,650	494,740
Excess (deficiency) of revenues over (under) expenditures.....	(503,390)	(503,390)	53,624	557,014
Other financing sources:				
Transfers in.....	70,000	70,000	16,995	(53,005)
Total other financing sources	70,000	70,000	16,995	(53,005)
Excess (deficiency) of revenues and other financing sources (under) expenditures and other uses.....	(433,390)	(433,390)	70,619	504,009
Fund balance, January 1.....	427,990	427,990	427,990	0
Prior year encumbrances appropriated.....	5,400	5,400	5,400	0
Fund balance, December 31.....	\$0	\$0	\$504,009	\$504,009

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 PROBATION SERVICES OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Miscellaneous revenue.....	\$13,320	\$13,320	\$4,862	(\$8,458)
Total revenues.....	13,320	13,320	4,862	(8,458)
Expenditures:				
Current:				
Personal services.....	0	1,800	1,755	45
Materials and supplies.....	1,660	1,660	757	903
Charges and services.....	3,767	3,767	3,766	1
Capital purchases.....	10,000	8,200	0	8,200
Total expenditures.....	15,427	15,427	6,278	9,149
Excess (deficiency) of revenues over (under) expenditures.....	(2,107)	(2,107)	(1,416)	691
Other financing sources:				
Transfers in.....	0	0	8,500	\$8,500
Total other financing sources	0	0	8,500	8,500
Excess (deficiency) of revenues and other financing sources (under) expenditures and other uses.....	(2,107)	(2,107)	7,084	9,191
Fund balance, January 1.....	2,107	2,107	2,107	0
Fund balance, December 31.....	\$0	\$0	\$9,191	\$9,191

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 JUVENILE ACCOUNTABILITY INCENTIVE OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
<hr/>				
Revenues:				
Intergovernmental revenue.....	\$20,242	\$20,242	\$16,534	(\$3,708)
<hr/>				
Total revenues.....	20,242	20,242	16,534	(3,708)
<hr/>				
Expenditures:				
Current:				
Materials and supplies.....	21,000	21,000	16,534	4,466
<hr/>				
Total expenditures.....	21,000	21,000	16,534	4,466
<hr/>				
Excess (deficiency) of revenues over (under) expenditures.....	(758)	(758)	0	758
<hr/>				
Fund balance, January 1.....	758	758	758	0
<hr/>				
Fund balance, December 31.....	\$0	\$0	\$758	\$758
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HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 REAL ESTATE ASSESSMENT SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$420,000	\$420,000	\$417,675	(\$2,325)
Miscellaneous revenue.....	15,000	18,000	25,948	7,948
Total revenues.....	435,000	438,000	443,623	5,623
Expenditures:				
Current:				
Personal services.....	234,200	237,200	231,811	5,389
Materials and supplies.....	6,000	6,000	3,890	2,110
Charges and services.....	242,296	242,296	226,177	16,119
Capital purchases.....	6,000	6,000	4,383	1,617
Total expenditures.....	488,496	491,496	466,261	25,235
Excess (deficiency) of revenues over (under) expenditures.....	(53,496)	(53,496)	(22,638)	30,858
Fund balance, January 1.....	43,496	43,496	43,496	0
Prior year encumbrances appropriated.....	10,000	10,000	10,000	0
Fund balance, December 31.....	\$0	\$0	\$30,858	\$30,858

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 JUVENILE COURT SECURITY OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$50,000	\$50,000	\$0	(\$50,000)
Total revenues.....	50,000	50,000	0	(50,000)
Expenditures:				
Current:				
Capital purchases.....	50,000	50,000	0	50,000
Total expenditures.....	50,000	50,000	0	50,000
Excess of revenues over expenditures.....	0	0	0	0
Fund balance, January 1.....	0	0	0	0
Fund balance, December 31.....	\$0	\$0	\$0	\$0

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MEDIATION OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$21,477	\$21,477	\$67,070	\$45,593
Total revenues.....	21,477	21,477	67,070	45,593
Expenditures:				
Current:				
Capital purchases.....	60,000	60,000	14,026	45,974
Total expenditures.....	60,000	60,000	14,026	45,974
Excess (deficiency) of revenues over (under) expenditures.....	(38,523)	(38,523)	53,044	91,567
Fund balance, January 1.....	38,523	38,523	38,523	0
Fund balance, December 31.....	\$0	\$0	\$91,567	\$91,567

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 ANNEXATION PETITION OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$50	\$50	\$75	\$25
Total revenues.....	50	50	75	25
Expenditures:				
Current:				
Charges and services.....	0	75	44	31
Total expenditures.....	0	75	44	31
Excess (deficiency) of revenues over (under) expenditures.....	50	(25)	31	56
Fund balance, January 1.....	25	25	25	0
Fund balance, December 31.....	\$75	\$0	\$56	\$56

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 RECORDERS EQUIPMENT OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$55,000	\$55,000	\$72,278	\$17,278
Total revenues.....	55,000	55,000	72,278	17,278
Expenditures:				
Current:				
Capital purchases.....	88,000	88,000	74,929	13,071
Total expenditures.....	88,000	88,000	74,929	13,071
Excess (deficiency) of revenues over (under) expenditures.....	(33,000)	(33,000)	(2,651)	30,349
Fund balance, January 1.....	32,345	32,345	32,345	0
Prior year encumbrances appropriated.....	13,000	13,000	13,000	0
Fund balance, December 31.....	\$12,345	\$12,345	\$42,694	\$30,349

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
TITLE DEPARTMENT OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$228,500	\$228,500	\$256,208	\$27,708
Investment earnings.....	2,600	2,600	1,871	(729)
Miscellaneous revenue.....	0	0	28	28
Total revenues.....	231,100	231,100	258,107	27,007
Expenditures:				
Current:				
Personal services.....	191,420	191,420	177,046	14,374
Materials and supplies.....	8,000	8,000	5,720	2,280
Charges and services.....	32,580	32,580	11,568	21,012
Capital purchases.....	6,000	6,000	58	5,942
Total expenditures.....	238,000	238,000	194,392	43,608
Excess (Deficiency) of revenues over (under) expenditures.....	(6,900)	(6,900)	63,715	70,615
Other financing sources (uses):				
Transfers out.....	(60,000)	(60,000)	(42,140)	17,860
Total other financing sources (uses)	(60,000)	(60,000)	(42,140)	17,860
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(66,900)	(66,900)	21,575	88,475
Fund balance, January 1.....	96,283	96,283	96,283	0
Fund balance, December 31.....	\$29,383	\$29,383	\$117,858	\$88,475

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 JUVENILE COURT COMPUTER OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$42,707	\$42,707	\$32,846	(\$9,861)
Total revenues.....	42,707	42,707	32,846	(9,861)
Expenditures:				
Current:				
Charges and services.....	50,000	50,000	33,917	16,083
Total expenditures.....	50,000	50,000	33,917	16,083
Excess (deficiency) of revenues over (under) expenditures.....	(7,293)	(7,293)	(1,071)	6,222
Fund balance, January 1.....	7,293	7,293	7,293	0
Fund balance, December 31.....	\$0	\$0	\$6,222	\$6,222

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 CLERK OF COURT COMPUTER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services.....	\$14,000	\$14,000	\$18,140	\$4,140
Total revenues.....	14,000	14,000	18,140	4,140
Expenditures:				
Current:				
Charges and services.....	17,000	17,000	14,534	2,466
Total expenditures.....	17,000	17,000	14,534	2,466
Excess (deficiency) of revenues over (under) expenditures.....	(3,000)	(3,000)	3,606	6,606
Fund balance, January 1.....	7,907	7,907	7,907	0
Fund balance, December 31.....	\$4,907	\$4,907	\$11,513	\$6,606

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 JUVENILE INDIGENT DRIVERS ALCOHOL TREATMENT
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$3,213	\$3,213	\$225	(\$2,988)
Total revenues.....	3,213	3,213	225	(2,988)
Current:				
Charges and services.....	4,500	4,500	0	4,500
Total expenditures.....	4,500	4,500	0	4,500
Excess (deficiency) of revenues over (under) expenditures.....	(1,287)	(1,287)	225	1,512
Fund balance, January 1.....	1,288	1,288	1,288	0
Fund balance, December 31.....	\$1	\$1	\$1,513	\$1,512

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 FELONY DELINQUENT CARE AND CUSTODY
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget
Revenues:				
Intergovernmental revenue.....	\$345,903	\$345,903	\$227,824	(\$118,079)
Total revenues.....	345,903	345,903	227,824	(118,079)
Current:				
Personal services.....	270,980	270,980	154,530	116,450
Charges and services.....	338,000	338,000	21,402	316,598
Total expenditures.....	608,980	608,980	175,932	433,048
Excess (deficiency) of revenues over (under) expenditures.....	(263,077)	(263,077)	51,892	314,969
Fund balance, January 1.....	263,077	263,077	263,077	0
Fund balance, December 31.....	\$0	\$0	\$314,969	\$314,969

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 COMMON PLEAS COURT COMPUTERIZATION
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$0	\$0	\$2,703	\$2,703
Total revenues.....	0	0	2,703	2,703
Excess of revenues over expenditures.....	0	0	2,703	2,703
Fund balance, January 1.....	9,213	9,213	9,213	0
Fund balance, December 31.....	\$9,213	\$9,213	\$11,916	\$2,703

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 TB LEVY OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Miscellaneous revenue.....	\$0	\$0	\$1,126	\$1,126
Total revenues.....	0	0	1,126	1,126
Expenditures:				
Current:				
Charges and services.....	29,806	29,806	0	29,806
Total expenditures.....	29,806	29,806	0	29,806
Excess (deficiency) of revenues over (under) expenditures.....	(29,806)	(29,806)	1,126	30,932
Fund balance, January 1.....	27,806	27,806	27,806	0
Prior year encumbrances appropriated.....	2,000	2,000	2,000	0
Fund balance, December 31.....	\$0	\$0	\$30,932	\$30,932

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 CHILDREN SERVICES SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$1,820,965	\$1,820,965	\$1,962,880	\$141,915
Total revenues.....	1,820,965	1,820,965	1,962,880	141,915
Expenditures:				
Current:				
Charges and services.....	2,319,059	2,319,059	1,799,074	519,985
Total expenditures.....	2,319,059	2,319,059	1,799,074	519,985
Excess (deficiency) of revenues over (under) expenditures.....	(498,094)	(498,094)	163,806	661,900
Fund balance, January 1.....	348,094	348,094	348,094	0
Prior year encumbrances appropriated.....	150,000	150,000	150,000	0
Fund balance, December 31.....	\$0	\$0	\$661,900	\$661,900

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MARRIAGE LICENSE OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for Services.....	\$16,000	\$16,000	\$15,950	(\$50)
Total revenues.....	16,000	16,000	15,950	(50)
Expenditures:				
Current:				
Charges and services.....	23,782	23,782	15,246	8,536
Total expenditures.....	23,782	23,782	15,246	8,536
Excess (deficiency) of revenues over (under) expenditures.....	(7,782)	(7,782)	704	8,486
Fund balance, January 1.....	7,782	7,782	7,782	0
Fund balance, December 31.....	\$0	\$0	\$8,486	\$8,486

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
DITCH MAINTENANCE OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Special assessments.....	\$91,466	\$91,466	\$91,727	\$261
Miscellaneous revenue.....	5,000	5,000	2,289	(2,711)
Total revenues.....	96,466	96,466	94,016	(2,450)
Expenditures:				
Current:				
Personal services.....	64,100	64,100	49,721	14,379
Materials and supplies.....	6,000	6,000	1,462	4,538
Charges and services.....	37,000	37,000	32,044	4,956
Total expenditures.....	107,100	107,100	83,227	23,873
Excess (deficiency) of revenues over (under) expenditures.....	(10,634)	(10,634)	10,789	21,423
Fund balance, January 1.....	51,793	51,793	51,793	0
Fund balance, December 31.....	\$41,159	\$41,159	\$62,582	\$21,423

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
TITLE I OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$22,000	\$22,000	\$18,338	(\$3,662)
Total revenues.....	22,000	22,000	18,338	(3,662)
Expenditures:				
Current:				
Personal services.....	22,700	22,700	18,127	4,573
Charges and services.....	4,300	5,300	4,817	483
Total expenditures.....	27,000	28,000	22,944	5,056
Excess (deficiency) of revenues over (under) expenditures.....	(5,000)	(6,000)	(4,606)	1,394
Other financing sources (uses):				
Transfers in.....	10,000	10,000	0	(10,000)
Transfers out.....	(5,000)	(5,000)	0	5,000
Total other financing sources (uses)	5,000	5,000	0	(5,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	0	(1,000)	(4,606)	(3,606)
Fund balance, January 1.....	4,696	4,696	4,696	0
Fund balance, December 31.....	\$4,696	\$3,696	\$90	(\$3,606)

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 HURON COUNTY BLOCK GRANT OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$297,749	\$297,749	\$218,445	(\$79,304)
Total revenues.....	297,749	297,749	218,445	(79,304)
Expenditures:				
Current:				
Charges and services.....	306,097	306,097	220,257	85,840
Total expenditures.....	306,097	306,097	220,257	85,840
Excess (deficiency) of revenues over (under) expenditures.....	(8,348)	(8,348)	(1,812)	6,536
Fund balance, January 1.....	8,348	8,348	8,348	0
Fund balance, December 31.....	\$0	\$0	\$6,536	\$6,536

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 HURON COUNTY REVOLVING LOAN OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Investment revenue.....	\$72,000	\$72,000	\$67,011	(\$4,989)
Miscellaneous revenue.....	3,000	3,000	1,295	(1,705)
Total revenues.....	75,000	75,000	68,306	(6,694)
Expenditures:				
Current:				
Charges and services.....	100,000	100,000	65,000	35,000
Total expenditures.....	100,000	100,000	65,000	35,000
Excess (deficiency) of revenues over (under) expenditures.....	(25,000)	(25,000)	3,306	28,306
Fund balance, January 1.....	193,804	193,804	193,804	0
Fund balance, December 31.....	\$168,804	\$168,804	\$197,110	\$28,306

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO 2002 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$20,395	\$20,395	\$11,952	(\$8,443)
Total revenues.....	20,395	20,395	11,952	(8,443)
Expenditures:				
Current:				
Charges and services.....	29,225	29,225	9,614	19,611
Total expenditures.....	29,225	29,225	9,614	19,611
Excess (deficiency) of revenues over (under) expenditures.....	(8,830)	(8,830)	2,338	11,168
Fund balance, January 1.....	8,830	8,830	8,830	0
Fund balance, December 31.....	\$0	\$0	\$11,168	\$11,168

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO 2001 OTHER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Expenditures:				
Current:				
Charges and services.....	\$517	\$517	\$517	\$0
Total expenditures.....	517	517	517	0
Deficiency of revenues over expenditures.....	(517)	(517)	(517)	0
Fund balance, January 1.....	517	517	517	0
Fund balance, December 31.....	\$0	\$0	\$0	\$0

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 PARTIAL TAXIWAY OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Expenditures:				
Current:				
Charges and services.....	\$315	\$315	\$0	\$315
Total expenditures.....	315	315	0	315
Excess (deficiency) of revenues over (under) expenditures.....	(315)	(315)	0	315
Fund balance, January 1.....	315	315	315	0
Fund balance, December 31.....	\$0	\$0	\$315	\$315

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 EMERGENCY MANAGEMENT AGENCY OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$40,235	\$40,235	\$164,798	\$124,563
Miscellaneous revenue.....	120,000	120,000	125,251	5,251
Total revenues.....	160,235	160,235	290,049	129,814
Expenditures:				
Current:				
Personal services.....	43,520	43,520	24,443	19,077
Charges and services.....	186,750	215,750	194,951	20,799
Total expenditures.....	230,270	259,270	219,394	39,876
Excess (deficiency) of revenues over (under) expenditures.....	(70,035)	(99,035)	70,655	169,690
Fund balance, January 1.....	128,431	128,431	128,431	0
Fund balance, December 31.....	\$58,396	\$29,396	\$199,086	\$169,690

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 RECYCLE OHIO 2003 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$43,625	\$43,625	\$36,205	(\$7,420)
Total revenues.....	43,625	43,625	36,205	(7,420)
Expenditures:				
Current:				
Charges and services.....	52,700	52,700	52,700	0
Total expenditures.....	52,700	52,700	52,700	0
Deficiency of revenues (under) expenditures.....	(9,075)	(9,075)	(16,495)	(7,420)
Fund balance, January 1.....	9,075	9,075	9,075	0
Fund balance, December 31.....	\$0	\$0	(\$7,420)	(\$7,420)

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MUNY ROAD OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes.....	\$170,000	\$170,000	\$164,584	(\$5,416)
Total revenues.....	170,000	170,000	164,584	(5,416)
Expenditures:				
Current:				
Charges and services.....	562,254	562,254	171,658	390,596
Total expenditures.....	562,254	562,254	171,658	390,596
Excess (deficiency) of revenues over (under) expenditures.....	(392,254)	(392,254)	(7,074)	385,180
Fund balance, January 1.....	392,254	392,254	392,254	0
Fund balance, December 31.....	\$0	\$0	\$385,180	\$385,180

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MUNICIPAL COURT ADVOCACY SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$40,500	\$40,500	\$30,928	(\$9,572)
Total revenues.....	40,500	40,500	30,928	(9,572)
Expenditures:				
Current:				
Personal services.....	35,500	35,500	31,801	3,699
Materials and supplies.....	2,084	2,084	1,043	1,041
Charges and services.....	9,165	9,165	4,012	5,153
Capital purchases.....	700	700	485	215
Total expenditures.....	47,449	47,449	37,341	10,108
Excess (deficiency) of revenues over (under) expenditures.....	(6,949)	(6,949)	(6,413)	536
Other financing sources (uses):				
Transfers in.....	0	0	2,548	2,548
Total other financing sources (uses)	0	0	2,548	2,548
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(6,949)	(6,949)	(3,865)	3,084
Fund balance, January 1.....	6,119	6,119	6,119	0
Prior year encumbrances appropriated.....	830	830	830	0
Fund balance, December 31.....	\$0	\$0	\$3,084	\$3,084

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 VICTIMS ASSISTANCE OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$105,200	\$105,200	\$68,710	(\$36,490)
Miscellaneous revenue.....	27,500	27,500	27,545	45
Total revenues.....	132,700	132,700	96,255	(36,445)
Expenditures:				
Current:				
Personal services.....	116,000	116,000	80,110	35,890
Materials and supplies.....	5,000	5,000	2,630	2,370
Charges and services.....	22,549	22,549	7,363	15,186
Total expenditures.....	143,549	143,549	90,103	53,446
Excess (deficiency) of revenues over (under) expenditures.....	(10,849)	(10,849)	6,152	17,001
Other financing sources (uses):				
Transfers in.....	0	0	4,240	4,240
Total other financing sources (uses)	0	0	4,240	4,240
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(10,849)	(10,849)	10,392	21,241
Fund balance, January 1.....	10,849	10,849	10,849	0
Fund balance, December 31.....	\$0	\$0	\$21,241	\$21,241

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 911 EMERGENCY EQUIPMENT OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$38,235	\$38,235	\$22,934	(\$15,301)
Charges for Services.....	19,125	19,125	25,080	5,955
Total revenues.....	57,360	57,360	48,014	(9,346)
Expenditures:				
Current:				
Charges and services.....	57,356	57,356	38,280	19,076
Total expenditures.....	57,356	57,356	38,280	19,076
Excess of revenues over expenditures.....	4	4	9,734	9,730
Fund balance, January 1.....	76	76	76	0
Fund balance, December 31.....	\$80	\$80	\$9,810	\$9,730

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MRDD RESIDENTIAL OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$364,000	\$364,000	\$131,295	(\$232,705)
Total revenues.....	364,000	364,000	131,295	(232,705)
Expenditures:				
Current:				
Charges and services.....	379,000	379,000	134,272	244,728
Total expenditures.....	379,000	379,000	134,272	244,728
Excess (deficiency) of revenues over (under) expenditures.....	(15,000)	(15,000)	(2,977)	12,023
Fund balance, January 1.....	191,313	191,313	191,313	0
Prior year encumbrances appropriated.....	15,000	15,000	15,000	0
Fund balance, December 31.....	<u>\$191,313</u>	<u>\$191,313</u>	<u>\$203,336</u>	<u>\$12,023</u>

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 SENIOR SERVICES CENTER OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes.....	\$299,000	\$299,000	\$297,022	(\$1,978)
Intergovernmental revenue.....	32,000	32,000	31,824	(176)
Total revenues.....	331,000	331,000	328,846	(2,154)
Expenditures:				
Current:				
Charges and services.....	331,000	331,000	328,774	2,226
Total expenditures.....	331,000	331,000	328,774	2,226
Excess of revenues over expenditures.....	0	0	72	72
Fund balance, January 1.....	0	0	0	0
Fund balance, December 31.....	\$0	\$0	\$72	\$72

HURON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMPREHENSIVE HOUSING SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$475,000	\$475,000	\$287,231	(\$187,769)
Miscellaneous revenue.....	\$25,000	\$25,000	\$25,314	\$314
Total revenues.....	500,000	500,000	312,545	(187,455)
Expenditures:				
Current:				
Charges and services.....	475,000	475,000	299,798	175,202
Total expenditures.....	475,000	475,000	299,798	175,202
Excess (deficiency) of revenues over (under) expenditures.....	25,000	25,000	12,747	(12,253)
Fund balance, January 1.....	30,191	30,191	30,191	0
Fund balance, December 31.....	\$55,191	\$55,191	\$42,938	(\$12,253)

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 LOCAL EMERGENCY PLANNING
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$20,500	\$20,500	\$24,684	\$4,184
Miscellaneous revenue.....	2,000	2,000	0	(2,000)
Total revenues.....	22,500	22,500	24,684	2,184
Expenditures:				
Current:				
Charges and services.....	38,560	55,326	32,341	22,985
Total expenditures.....	38,560	55,326	32,341	22,985
Excess (deficiency) of revenues over (under) expenditures.....	(16,060)	(32,826)	(7,657)	25,169
Fund balance, January 1.....	32,826	32,826	32,826	0
Fund balance, December 31.....	\$16,766	\$0	\$25,169	\$25,169

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 EMA HAZMAT OTHER SPECIAL REVENUE FUND
 YEAR ENDED DECMEBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenue.....	\$16,586	\$16,586	\$16,266	(\$320)
Miscellaneous revenue.....	0	0	2,900	2,900
Total revenues.....	16,586	16,586	19,166	2,580
Expenditures:				
Current:				
Materials and supplies.....	10,000	10,000	1,120	8,880
Capital outlay.....	25,000	25,000	10,000	15,000
Total expenditures.....	35,000	35,000	11,120	23,880
Excess (deficiency) of revenues over (under) expenditures.....	(18,414)	(18,414)	8,046	26,460
Fund balance, January 1.....	52,630	52,630	52,630	0
Fund balance, December 31.....	\$34,216	\$34,216	\$60,676	\$26,460

HURON COUNTY, OHIO
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 MRDD CONSTRUCTION
 CAPITAL PROJECT FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenue:				
Intergovernmental revenue.....	\$115,000	\$215,000	\$180,000	(\$35,000)
Total revenue.....	115,000	215,000	180,000	(35,000)
Expenditures:				
Capital outlay.....	165,000	265,000	227,475	37,525
Total expenditures.....	165,000	265,000	227,475	37,525
Deficiency of revenues over expenditures.....	(50,000)	(50,000)	(47,475)	2,525
Fund balance, January 1.....	9,784	9,784	9,784	0
Prior year encumbrances appropriated...	50,000	50,000	50,000	0
Fund balance, December 31.....	\$9,784	\$9,784	\$12,309	\$2,525

HURON COUNTY, OHIO
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 PERMANENT IMPROVEMENT
 CAPITAL PROJECT FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget
Revenue:				
Miscellaneous.....	\$130,000	\$130,000	\$0	(\$130,000)
Total revenue.....	130,000	130,000	0	(130,000)
Expenditures:				
Capital outlay.....	293,951	293,951	86,790	207,161
Total expenditures.....	293,951	293,951	86,790	207,161
Excess (Deficiency) of revenues over (under) expenditures.....	(163,951)	(163,951)	(86,790)	77,161
Fund balance, January 1.....	163,951	163,951	163,951	0
Fund balance, December 31.....	\$0	\$0	\$77,161	\$77,161

HURON COUNTY, OHIO
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 COUNTY CAPITAL PROJECTS
 CAPITAL PROJECT FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenue:				
Investment earnings.....	\$0	\$0	\$9,503	\$9,503
Total revenue.....	0	0	9,503	9,503
Expenditures:				
Capital outlay.....	950,000	950,000	398,229	551,771
Total expenditures.....	950,000	950,000	398,229	551,771
Excess (Deficiency) of revenues over (under) expenditures.....	(950,000)	(950,000)	(388,726)	561,274
Fund balance, January 1.....	950,000	950,000	950,000	0
Fund balance, December 31.....	\$0	\$0	\$561,274	\$561,274

HURON COUNTY, OHIO
 STATEMENT OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
 (NON-GAAP BUDGETARY BASIS)
 NEW VOTING EQUIPMENT
 CAPITAL PROJECT FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Revenue:				
Intergovernmental revenue.....	\$100,000	\$100,000	\$8,775	(\$91,225)
Total revenue.....	100,000	100,000	8,775	(91,225)
Expenditures:				
Capital outlay.....	0	5,000	4,652	348
Total expenditures.....	0	5,000	4,652	348
Excess (deficiency) of revenues over (under) expenditures.....	100,000	95,000	4,123	90,877
Fund balance, January 1.....	5,505	5,505	5,505	0
Fund balance, December 31.....	\$105,505	\$100,505	\$9,628	\$90,877

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 ALL DEBT SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With
	Original	Final		Final Budget
Revenues:				
Intergovernmental revenue.....	\$347,788	\$347,788	\$347,788	\$0
Total revenue.....	347,788	347,788	347,788	0
Expenditures:				
Debt service:				
Principal retirement.....	405,000	405,000	405,000	0
Interest and fiscal charges.....	425,734	425,734	425,734	0
Total expenditures.....	830,734	830,734	830,734	0
Excess (Deficiency) of revenues over (under) expenditures.....	(482,946)	(482,946)	(482,946)	0
Other financing sources (uses):				
Transfers in.....	482,946	482,946	478,024	(4,922)
Total other financing sources (uses)	482,946	482,946	478,024	(4,922)
Excess of revenues and other financing sources over expenditures and other uses.....	0	0	(4,922)	(4,922)
Fund balance, January 1.....	4,922	4,922	4,922	0
Fund balance, December 31.....	\$4,922	\$4,922	\$0	(\$4,922)

HURON COUNTY, OHIO
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS-BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 ALL ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
<u>Operation revenues:</u>				
Charges for services.....	\$1,999,818	\$1,999,818	\$2,194,951	\$195,133
Miscellaneous revenue.....	67,650	67,650	59,502	(8,148)
Total operating revenues.....	2,067,468	2,067,468	2,254,453	186,985
<u>Operating expenses:</u>				
Personal services.....	366,446	366,446	333,330	33,116
Materials and supplies.....	34,500	25,660	23,093	2,567
Contractual services.....	1,270,300	1,479,140	1,412,581	66,559
Other operating expenses.....	461,500	479,500	420,330	59,170
Total operating Expenses.....	2,132,746	2,350,746	2,189,334	161,412
Operating income (loss).....	(65,278)	(283,278)	65,119	348,397
<u>Non-operating revenues (expenses)</u>				
Principal retirement.....	(235,000)	(235,000)	(235,000)	0
Interest and fiscal charges.....	(102,000)	(102,000)	(102,000)	0
Total non-operating revenues (expenses)	(337,000)	(337,000)	(337,000)	0
Income (loss) before operating transfers	(402,278)	(620,278)	(271,881)	348,397
Transfers in.....	587,108	587,108	336,000	(251,108)
Transfers out.....	(337,000)	(119,000)	(86,780)	32,220
Net income.....	(152,170)	(152,170)	(22,661)	129,509
Net assets, January 1.....	166,852	166,852	166,852	0
Net assets, December 31.....	\$14,682	\$14,682	\$144,191	\$129,509

**HURON COUNTY, OHIO
INTERNAL SERVICE FUND
DECEMBER 31, 2003**

Health Insurance – To account for claims and administration of the health insurance program for covered County employees and their eligible dependents. County departments are billed according to the employee's marital status.

HURON COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS-BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 INTERNAL SERVICE FUND
 YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	Original	Final		
Operation revenues:				
Charges for services.....	\$3,000,000	\$3,000,000	\$2,938,182	(\$61,818)
Total operating revenues.....	3,000,000	3,000,000	2,938,182	(61,818)
Operating expenses:				
Other operating expenses.....	3,000,000	4,000,000	3,240,508	759,492
Total operating Expenses.....	3,000,000	4,000,000	3,240,508	759,492
Operating income (loss).....	0	(1,000,000)	(302,326)	697,674
Non-operating revenues (expenses)				
Investment income.....	0	0	13,486	13,486
Total non-operating revnues (expenses)	0	0	13,486	13,486
Net income.....	0	(1,000,000)	(288,840)	711,160
Net assets, January 1.....	1,405,385	1,405,385	1,405,385	0
Net assets, December 31.....	\$1,405,385	\$405,385	\$1,116,545	\$711,160

**HURON COUNTY, OHIO
FIDUCIARY FUNDS
DECEMBER 31, 2003**

FIDUCIARY FUNDS - Fiduciary Funds account for assets held by Huron County in a trustee capacity, or as an agent, for individuals, private organizations, other governmental units and/or other funds. The Fiduciary Funds that Huron County maintains are Expendable Trust funds and Agency funds.

EXPENDABLE TRUST FUNDS - Expendable Trust Funds maintain assets held by Huron County in a trustee capacity for individuals, private organizations, other governmental units and other funds. The following are the Expendable Trust funds that Huron County maintains:

Early Intervention Collaborative - To maintain and account for revenues received through contribution from various public and private agencies for housing for mentally retarded citizens.

MRDD Trust - To maintain and account for revenues received through private donations to benefit Christie Lane School for the mentally retarded.

Harter Trust - To maintain and account for donations and interest on investments to promote the social service offerings and facilities for the mentally retarded.

Children's Trust - To maintain and account for monies received to benefit children's needs in addition to the regular monies spent through Children's Assessment Team.

Commissary Rotary Trust - To maintain and account for monies deposited by prisoners of the jail to be used for their sundry needs as deemed necessary.

Canine Trust - To maintain and account for monies deposited by the Sheriff's Department to be used in the training and other essential needs of the county's dog patrol.

Unclaimed Money - To maintain and account for uncashed warrants. The uncashed warrants are transferred and held in this fund until the entitled party places a legitimate claim or the statute of limitations runs out.

**HURON COUNTY, OHIO
AGENCY FUNDS
DECEMBER 31, 2003**

AGENCY FUNDS - Agency funds maintain assets held by Huron County as an agent for individuals, private organization, other governmental units and/or other funds. The following are the Agency funds that Huron County maintains:

Undivided Real Estate Taxes - To account for the accumulation and disbursement of real property taxes.

Undivided Tangible Property Taxes - To account for the accumulation and disbursement of tangible property taxes.

Township Gasoline Taxes - This fund is to record receipts of money from the State that is to be disbursed to the townships based on county gasoline taxes collected from sales of fuel at service stations in the County.

Undivided Estate Taxes - To account for the accumulation and disbursement of taxes on the estates of deceased residents of Huron County or those who owned real property in Huron County but resided outside of the County.

Undivided Mobile Home Taxes - To account for the accumulation and disbursement of mobile home property taxes.

Motor Vehicle License Taxes - This fund is to record receipts of money from the State that is to be disbursed to the corporations, villages and townships based on motor vehicle registration renewals/purchases in their respective districts.

Undivided Cigarette Licenses - To account for the accumulation and disbursement of cigarette licenses sold in Huron County.

Local Government - This fund is to record receipts of money from the State that is to be disbursed to the corporations, villages and townships based on a predetermined formula.

Revenue Assistance - This fund is to record receipts of money from the State that is to be disbursed to the corporations, villages and townships based on a predetermined formula.

Clerk of Courts, Juvenile Court, Probate Court, Sheriff and Child Support Enforcement - These various and separate funds maintain and account for: court fees, alimonies, child support, restitution, boarding home fees, donations, and other similar resources and uses. These funds are held outside of the Huron County treasury.

Health Department - There are various accounts within the health department. Those divisions are food service, family planning, a health block grant and the general operations of the health department itself. These funds are used for the improvement and well being of citizens in the county for home care, immunization and dietary needs along with a variety of miscellaneous health services. Revenue is generated from fees assessed for the various services provided.

Soil & Water - This fund is used to construct and maintain various ditches and waterways throughout the county on private property. There are also miscellaneous conservation services the agency provides. Its primary source of revenue comes from the assessment of fees on tax bills for the ditches they maintain.

Law Library - This fund is used for the maintenance of the County Law Library. Revenues are received primarily from the State and fines from the municipal courts.

Escrow Account - This is a fund set up by the County Treasurer to hold monies received from real estate taxpayers to pay the semi-annual bills when due.

State of Ohio - This fund is used to hold the monies allocated to the State from the cigarette tax settlement and disbursed to them when the settlement is completed.

Township Road Mileage - This fund is to record receipts of money from the State that is to be disbursed to the townships based on their township road miles.

Township Permissive Tax - This fund is to record receipt of money from the State for the various permissive taxes on license plates assessed by the townships and disbursed to them when received by the Auditor.

Ohio Elections Commission - This fund is to record receipt of money from the Huron County Board of Elections for filing fees of candidates for office, of which a portion is returned to the State Elections Commission.

BMV - To account for revenue generated from the sales of license plates and driver's licenses to operate that office.

Sheriff Law Enforcement - This fund is used to record receipt of money from sales of personal property seized in law enforcement operations and distributed to the Sheriff to be used in further investigations.

Libraries - This fund is used to record monies from the State for local library assistance.

Public Employees Retirement System, State Teachers Retirement System - To maintain and account for monies received from employees through payroll deductions to be paid to the State for retirement purposes.

Huron County Park District - To account for revenue received and expenditures made regarding the county's newly formed park district for recreational purposes in the county.

Huron County Airport Authority - To account for revenue received and expenditures made regarding the county's airport facility and operations.

Workers Compensation – To account for refund received and expenditures for Workers' Compensation in 1999.

Prorata Real Estate – To account for overpaid real estate taxes, which are, applied against the next half's property tax billing for distribution to political subdivisions.

Housing Escrow – To account for housing construction project payments held until completion of the project.

Airport Escrow – To account for payments on disputed hangar rental agreement until settled by the courts.

State Recorder Fees – To account for fees assessed by the State of Ohio to cover recordation expenses on the local level and to be reimbursed to the State.

Taxing District – A holding fund for tax monies used to disburse various real estate, mobile home and personal property taxes.

Deferred Compensation, Federal Income Tax, Medicare Tax, State Income Tax, City Income Tax, School Income Tax, Insurance, Health Insurance Premiums, Miscellaneous Payroll – To account for payroll deductions made out of the last pay of the year not yet paid to vendors.

Huron County Transit – To account for revenue and expenditures for a countywide transportation system for citizens without means to get around the county.

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
UNDIVIDED TAXES:				
REAL ESTATE TAX				
Assets:				
Taxes receivable.....	\$31,081,261	\$33,806,081	\$31,081,261	\$33,806,081
Pooled cash and cash equivalents...	1,019,272	29,359,404	29,263,087	1,115,589
	\$32,100,533	\$63,165,485	\$60,344,348	\$34,921,670
Liabilities:				
Due to other governments.....	\$31,081,261	\$33,806,081	\$31,081,261	\$33,806,081
Unapportioned monies.....	1,019,272	29,359,404	29,263,087	1,115,589
	\$32,100,533	\$63,165,485	\$60,344,348	\$34,921,670
TANGIBLE PROPERTY TAX				
Assets:				
Taxes receivable.....	\$9,631,647	\$9,035,188	\$9,631,647	\$9,035,188
Pooled cash and cash equivalents...	443,026	8,081,864	8,417,716	107,174
	\$10,074,673	\$17,117,052	\$18,049,363	\$9,142,362
Liabilities:				
Due to other governments.....	\$9,631,647	\$9,035,188	\$9,631,647	\$9,035,188
Unapportioned monies.....	443,026	8,081,864	8,417,716	107,174
	\$10,074,673	\$17,117,052	\$18,049,363	\$9,142,362
TOWNSHIP GASOLINE TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$1,049,753	\$1,049,753	\$0
Liabilities:				
Unapportioned monies.....	\$0	\$1,049,753	\$1,049,753	\$0
ESTATE TAX				
Assets:				
Pooled cash and cash equivalents...	\$227,834	\$904,911	\$786,014	\$346,731
Liabilities:				
Unapportioned monies.....	\$227,834	\$904,911	\$786,014	\$346,731

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
MOBILE HOME TAX				
Assets:				
Taxes receivable.....	\$702,438	\$695,915	\$702,438	\$695,915
Pooled cash and cash equivalents...	53,709	399,352	391,052	62,009
	\$756,147	\$1,095,267	\$1,093,490	\$757,924
Liabilities:				
Due to other governments.....	\$702,438	\$695,915	\$702,438	\$695,915
Unapportioned monies.....	53,709	399,352	391,052	62,009
	\$756,147	\$1,095,267	\$1,093,490	\$757,924
MOTOR VEHICLE LICENSE TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$355,953	\$355,953	\$0
Liabilities:				
Unapportioned monies.....	\$0	\$355,953	\$355,953	\$0
CIGARETTE TAX				
Assets:				
Pooled cash and cash equivalents...	\$23	\$2,910	\$2,883	\$50
Liabilities:				
Unapportioned monies.....	\$23	\$2,910	\$2,883	\$50
LOCAL GOVERNMENT TAX				
Assets:				
Pooled cash and cash equivalents...	\$107,354	\$2,651,211	\$2,555,087	\$203,478
Liabilities:				
Unapportioned monies.....	\$107,354	\$2,651,211	\$2,555,087	\$203,478
REVENUE ASSISTANCE TAX				
Assets:				
Pooled cash and cash equivalents...	\$81,495	\$508,649	\$490,078	\$100,066
Liabilities:				
Unapportioned monies.....	\$81,495	\$508,649	\$490,078	\$100,066

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HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
CLERK OF COURTS				
Assets:				
Segregated Cash.....	\$407,620	\$9,476,877	\$9,396,337	\$488,160
Liabilities:				
Amounts due to others.....	\$407,620	\$9,476,877	\$9,396,337	\$488,160
JUVENILE COURT				
Assets:				
Segregated Cash.....	\$5,571	\$156,362	\$151,929	\$10,004
Liabilities:				
Amounts due to others.....	\$5,571	\$156,362	\$151,929	\$10,004
PROBATE COURT				
Assets:				
Segregated Cash.....	\$24,648	\$72,508	\$69,769	\$27,387
Liabilities:				
Amounts due to others.....	\$24,648	\$72,508	\$69,769	\$27,387
SHERIFF - GENERAL				
Assets:				
Segregated Cash.....	\$0	\$2,540,292	\$2,540,292	\$0
Liabilities:				
Amounts due to others.....	\$0	\$2,540,292	\$2,540,292	\$0
SHERIFF - COMMISSARY				
Assets:				
Segregated Cash.....	\$7,342	\$80,930	\$84,324	\$3,948
Liabilities:				
Amounts due to others.....	\$7,342	\$80,930	\$84,324	\$3,948

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HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
CHILD SUPPORT ENFORCEMENT				
Assets:				
Accounts receivable.....	\$1,337,208	\$2,801,180	\$1,337,208	\$2,801,180
Segregated Cash.....	6,576	246,917	245,418	8,075
	\$1,343,784	\$3,048,097	\$1,582,626	\$2,809,255
Liabilities:				
Amounts due to others.....	\$1,343,784	\$3,048,097	\$1,582,626	\$2,809,255
HEALTH DEPARTMENT				
Assets:				
Pooled cash and investments.....	\$600,266	\$2,550,811	\$2,607,893	\$543,184
Liabilities:				
Amounts due to others.....	\$600,266	\$2,550,811	\$2,607,893	\$543,184
SOIL & WATER FUND				
Assets:				
Pooled Cash & Cash Equivalents.....	\$38,715	\$348,896	\$352,293	\$35,318
Liabilities:				
Amounts due to others.....	\$38,715	\$348,896	\$352,293	\$35,318
LAW LIBRARY				
Assets:				
Pooled cash and cash equivalents...	\$7,720	\$94,461	\$94,898	\$7,283
Liabilities:				
Unapportioned monies.....	\$7,720	\$94,461	\$94,898	\$7,283
ESCROW ACCOUNT				
Assets:				
Pooled Cash & Cash Equivalents.....	\$30,466	\$23,723	\$17,869	\$36,320
Liabilities:				
Amounts due to others.....	\$30,466	\$23,723	\$17,869	\$36,320

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HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
STATE OF OHIO				
Assets:				
Pooled cash and cash equivalents...	\$0	\$151,077	\$151,077	\$0
Liabilities:				
Unapportioned monies.....	\$0	\$151,077	\$151,077	\$0
TOWNSHIP ROAD MILEAGE				
Assets:				
Pooled cash and cash equivalents...	\$0	\$196,475	\$196,475	\$0
Liabilities:				
Unapportioned monies.....	\$0	\$196,475	\$196,475	\$0
TOWNSHIP PERMISSIVE TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$115,867	\$115,867	\$0
Liabilities:				
Unapportioned monies.....	\$0	\$115,867	\$115,867	\$0
OHIO ELECTIONS COMMISSION				
Assets:				
Pooled cash and cash equivalents...	\$0	\$3,270	\$2,785	\$485
Liabilities:				
Amounts due to others.....	\$0	\$3,270	\$2,785	\$485
BMV				
Assets:				
Pooled cash and cash equivalents...	\$24,725	\$235,880	\$246,675	\$13,930
Segregated cash.....	4,369	237,953	236,866	5,456
	\$29,094	\$473,833	\$483,541	\$19,386
Liabilities:				
Amounts due to others.....	\$24,725	\$235,880	\$246,675	\$13,930
Unapportioned monies.....	4,369	237,953	236,866	5,456
	\$29,094	\$473,833	\$483,541	\$19,386
SHERIFF'S LAW ENFORCEMENT				
Assets:				
Segregated cash.....	\$7,890	\$10,103	\$8,269	\$9,724
Liabilities:				
Unapportioned monies.....	\$7,890	\$10,103	\$8,269	\$9,724

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
LIBRARIES				
Assets:				
Pooled cash and cash equivalents...	\$0	\$2,176,959	\$2,176,959	\$0
Liabilities:				
Unapportioned Monies.....	\$0	\$2,176,959	\$2,176,959	\$0
PERS				
Assets:				
Pooled cash and cash equivalents...	\$47,846	\$1,100,411	\$1,100,021	\$48,236
Liabilities:				
Payroll withholding.....	\$47,846	\$1,100,411	\$1,100,021	\$48,236
STRS				
Assets:				
Pooled cash and cash equivalents...	\$0	\$15,113	\$15,113	\$0
Liabilities:				
Payroll withholding.....	\$0	\$15,113	\$15,113	\$0
HURON COUNTY PARK DISTRICT				
Assets:				
Pooled cash and cash equivalents...	\$17,199	\$17,404	\$31,264	\$3,339
Liabilities:				
Amounts due to others.....	\$17,199	\$17,404	\$31,264	\$3,339
HURON COUNTY AIRPORT AUTHORITY				
Assets:				
Pooled cash and cash equivalents...	\$29,322	\$104,117	\$117,842	\$15,597
Liabilities:				
Amounts due to others.....	\$29,322	\$104,117	\$117,842	\$15,597
BUREAU OF WORKERS COMP				
Assets:				
Pooled cash and cash equivalents...	\$124,580	\$42,203	\$124,580	\$42,203
Liabilities:				
Unapportioned monies.....	\$124,580	\$42,203	\$124,580	\$42,203

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
MISCELLANEOUS PAYROLL				
Assets:				
Pooled cash and cash equivalents...	\$698	\$196,675	\$196,936	\$437
Liabilities:				
Payroll withholding.....	\$698	\$196,675	\$196,936	\$437
DEFERRED COMPENSATION				
Assets:				
Pooled cash and cash equivalents...	\$2,099	\$458,605	\$459,258	\$1,446
Liabilities:				
Payroll withholding.....	\$2,099	\$458,605	\$459,258	\$1,446
CITY INCOME TAX				
Assets:				
Pooled cash and cash equivalents...	\$50,068	\$214,656	\$213,617	\$51,107
Liabilities:				
Payroll withholding.....	\$50,068	\$214,656	\$213,617	\$51,107
SCHOOL INCOME TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$71,288	\$71,288	\$0
Liabilities:				
Payroll withholding.....	\$0	\$71,288	\$71,288	\$0
INSURANCE				
Assets:				
Pooled cash and cash equivalents...	\$0	\$43,844	\$43,843	\$1
Liabilities:				
Payroll withholding.....	\$0	\$43,844	\$43,843	\$1
HEALTH INSURANCE PREMIUM				
Assets:				
Pooled cash and cash equivalents...	\$159	\$173,760	\$173,828	\$91
Liabilities:				
Payroll withholding.....	\$159	\$173,760	\$173,828	\$91

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
PRORATA REAL ESTATE				
Assets:				
Pooled cash and cash equivalents...	\$2	\$11,694	\$11,696	\$0
Liabilities:				
Amounts due to others.....	\$2	\$11,694	\$11,696	\$0
HOUSING ESCROW				
Assets:				
Pooled cash and cash equivalents...	\$100	\$0	\$0	\$100
Liabilities:				
Amounts due to others.....	\$100	\$0	\$0	\$100
AIRPORT ESCROW				
Assets:				
Pooled cash and cash equivalents...	\$16,494	\$0	\$16,494	\$0
Liabilities:				
Amounts due to others.....	\$16,494	\$0	\$16,494	\$0
FEDERAL INCOME TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$1,407,256	\$1,407,256	\$0
Liabilities:				
Payroll withholding.....	\$0	\$1,407,256	\$1,407,256	\$0
MEDICARE				
Assets:				
Pooled cash and cash equivalents...	\$0	\$175,806	\$175,806	\$0
Liabilities:				
Payroll withholding.....	\$0	\$175,806	\$175,806	\$0
STATE INCOME TAX				
Assets:				
Pooled cash and cash equivalents...	\$0	\$425,699	\$425,699	\$0
Liabilities:				
Payroll withholding.....	\$0	\$425,699	\$425,699	\$0

HURON COUNTY, OHIO
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
HURON COUNTY TRANSIT				
Assets:				
Pooled cash and cash equivalents...	\$16,102	\$312,073	\$301,025	\$27,150
=====				
Liabilities:				
Amounts due to others.....	\$16,102	\$312,073	\$301,025	\$27,150
=====				
SHERIFF'S FOJ TRANSPORT				
Assets:				
Segregated cash.....	\$984	\$32,332	\$32,233	\$1,083
=====				
Liabilities:				
Unapportioned monies.....	\$984	\$32,332	\$32,233	\$1,083
=====				
PROSECUTOR'S FOJ				
Assets:				
Segregated cash.....	\$4,730	\$28,807	\$29,698	\$3,839
=====				
Liabilities:				
Unapportioned monies.....	\$4,730	\$28,807	\$29,698	\$3,839
=====				
STATE RECORDER FEES				
Assets:				
Pooled cash and cash equivalents...	\$0	\$182,276	\$82,288	\$99,988
=====				
Liabilities:				
Amounts due to others.....	\$0	\$182,276	\$82,288	\$99,988
=====				
TAXING DISTRICT				
Assets:				
Pooled cash and cash equivalents...	\$0	\$29,665,444	\$29,541,531	\$123,913
=====				
Liabilities:				
Amounts due to others.....	\$0	\$29,665,444	\$29,541,531	\$123,913
=====				

HURON COUNTY, OHIO
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 YEAR ENDED DECEMBER 31, 2003

	Beginning Balance January 1, 2003	Additions	Deductions	Ending Balance December 31, 2003
Assets:				
Taxes receivable.....	\$41,415,346	\$43,537,184	\$41,415,346	\$43,537,184
Accounts receivable.....	1,337,208	2,801,180	1,337,208	2,801,180
Pooled cash and cash equivalents...	2,939,274	83,829,750	83,783,799	2,985,225
Segregated cash.....	469,730	12,883,081	12,795,135	557,676
TOTAL ASSETS.....	\$46,161,558	\$143,051,195	\$139,331,488	\$49,881,265
Liabilities:				
Due to other governments.....	\$41,415,346	\$43,537,184	\$41,415,346	\$43,537,184
Unapportioned monies.....	2,082,986	46,400,244	46,478,545	2,004,685
Amounts due to others.....	2,562,356	48,830,654	47,154,932	4,238,078
Payroll withholding	100,870	4,283,113	4,282,665	101,318
TOTAL LIABILITIES.....	\$46,161,558	\$143,051,195	\$139,331,488	\$49,881,265



STATISTICAL SECTION



TABLE 1
HURON COUNTY, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Health	Human Services	Conservation and Recreation	Miscellaneous	Capital Outlay	Debt Service	Total
1994	\$4,955,338	\$1,697,464	\$3,697,321	\$4,187,094	\$5,913,086	\$65,749	\$474,257	\$597,968	\$60,488	\$21,648,765
1995	\$5,501,139	\$2,037,358	\$2,581,639	\$4,923,910	\$8,169,591	\$36,844	\$291,689	\$4,795,041	\$318,009	\$28,655,220
1996	\$5,796,804	\$2,102,099	\$4,237,882	\$4,955,964	\$7,699,031	\$57,491	\$298,159	\$2,893,787	\$437,006	\$28,478,223
1997	\$6,039,813	\$2,852,162	\$4,076,234	\$4,939,356	\$7,831,835	\$70,507	\$325,769	\$7,213,046	\$785,733	\$34,134,455
1998	\$6,643,638	\$4,279,959	\$4,312,605	\$4,927,387	\$9,074,594	\$73,275	\$329,318	\$299,467	\$759,028	\$30,699,271
1999	\$6,656,012	\$4,325,819	\$4,118,899	\$4,861,911	\$9,722,147	\$55,207	\$375,877	\$1,858,256	\$757,648	\$32,731,776
2000	\$6,892,346	\$4,437,681	\$5,221,088	\$5,268,199	\$10,320,998	\$65,840	\$470,850	\$1,772,006	\$755,363	\$35,204,371
2001	\$7,144,831	\$4,921,045	\$4,602,360	\$6,340,275	\$12,473,785	\$70,032	\$406,176	\$1,516,709	\$757,278	\$38,232,491
2002	\$7,585,237	\$4,938,508	\$4,629,219	\$6,866,408	\$12,376,654	\$56,124	\$436,125	\$507,714	\$753,091	\$38,149,080
2003	\$7,562,601	\$5,184,246	\$4,847,608	\$6,333,951	\$12,345,865	\$53,965	\$431,448	\$809,042	\$830,734	\$38,399,460

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

SOURCE: Huron County Auditor's office

TABLE 2
HURON COUNTY, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
Last Ten Fiscal Years

Fiscal Year	Taxes	Charges for Services	Licenses & Permits	Fines & Forfeits	Intergovernmental Revenue	Special Assessments	Investment Earnings	Other Revenue	Total
1994	\$6,116,657	\$2,331,762	\$262,422	\$162,515	\$10,325,832	\$0	\$511,690	\$1,982,988	\$21,693,866
1995	\$7,248,713	\$2,035,017	\$6,943	\$194,974	\$12,862,319	\$67,563	\$978,815	\$2,893,008	\$26,287,352
1996	\$9,268,454	\$2,089,642	\$7,732	\$200,051	\$13,370,264	\$77,344	\$825,629	\$2,650,559	\$28,489,675
1997	\$9,671,690	\$2,158,120	\$30,115	\$199,743	\$13,179,527	\$65,203	\$1,080,822	\$2,794,716	\$29,179,936
1998	\$10,169,603	\$2,185,012	\$6,309	\$252,448	\$14,701,297	\$57,418	\$1,018,595	\$3,628,172	\$32,018,854
1999	\$10,719,644	\$2,290,651	\$6,282	\$280,959	\$17,449,894	\$75,936	\$1,014,534	\$2,302,044	\$34,139,944
2000	\$11,026,186	\$3,162,135	\$6,157	\$328,533	\$19,044,517	\$73,803	\$1,309,315	\$2,252,983	\$37,203,629
2001	\$11,210,553	\$2,773,604	\$4,903	\$318,656	\$19,446,015	\$71,970	\$833,484	\$2,456,550	\$37,115,735
2002	\$11,799,980	\$2,516,804	\$4,885	\$339,114	\$20,476,329	\$85,302	\$717,181	\$1,726,796	\$37,666,391
2003	\$12,303,361	\$2,671,850	\$6,142	\$286,956	\$19,046,041	\$91,727	\$485,809	\$1,933,353	\$36,825,239

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

SOURCE: Huron County Auditor's office

TABLE 3
HURON COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY
Last Ten Fiscal Years

Year	Current Taxes Levied	Current Taxes Collected	Current Taxes Collected as a Percent of Current Taxes Levied	Delinquent Taxes Collected	Total Taxes Collected	Total Collections as a Percent of Current Taxes Levied	Accumulated Delinquencies
1994	\$18,555,231	\$17,967,875	96.83%	\$910,191	\$18,878,066	101.74%	\$1,053,560
1995	\$20,786,907	\$20,171,479	97.04%	\$721,409	\$20,892,888	100.51%	\$997,288
1996	\$20,520,018	\$19,882,688	96.89%	\$762,767	\$20,645,455	100.61%	\$966,001
1997	\$20,790,995	\$20,170,237	97.01%	\$753,448	\$20,923,685	100.64%	\$929,923
1998	\$22,533,509	\$21,938,464	97.36%	\$706,584	\$22,645,048	100.49%	\$962,547
1999	\$24,352,893	\$23,589,121	96.86%	\$716,633	\$24,305,754	99.81%	\$1,163,671
2000	\$26,149,835	\$24,880,722	95.15%	\$840,942	\$25,721,664	98.36%	\$1,318,856
2001	\$27,950,957	\$26,784,241	95.83%	\$938,623	\$27,722,864	99.18%	\$1,668,596
2002	\$28,407,895	\$27,366,331	96.33%	\$1,145,573	\$28,511,904	100.37%	\$1,757,542
2003	\$32,946,429	\$31,822,956	96.59%	\$1,186,071	\$33,009,027	100.19%	\$1,700,432

SOURCE: Huron County Auditor's office

TABLE 4
HURON COUNTY, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
Last Ten Fiscal Years

Tax Collection Year	Real Property (2)		Personal Property (3)		Public Utility (3)		Totals		Assessed Value as a percent of Estimated Actual Value
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	
1994	\$476,727,430	\$1,362,078,371	\$115,337,703	\$461,350,812	\$2,000,650	\$5,716,143	\$594,065,783	\$1,829,145,326	32.48%
1995	\$488,677,500	\$1,396,221,429	\$108,458,516	\$433,834,064	\$1,986,730	\$5,676,371	\$599,122,746	\$1,835,731,864	32.64%
1996	\$553,959,120	\$1,582,740,343	\$114,293,036	\$457,172,144	\$1,686,410	\$4,818,314	\$669,938,566	\$2,044,730,801	32.76%
1997	\$554,389,710	\$1,583,970,600	\$123,084,870	\$492,339,480	\$1,726,580	\$4,933,086	\$679,201,160	\$2,081,243,166	32.63%
1998	\$564,808,190	\$1,613,737,686	\$140,476,616	\$561,906,464	\$1,862,370	\$5,321,057	\$707,147,176	\$2,180,965,207	32.42%
1999	\$640,020,080	\$1,828,628,800	\$139,987,960	\$559,951,840	\$1,995,530	\$5,701,514	\$782,003,570	\$2,394,282,154	32.66%
2000	\$652,745,440	\$1,864,986,971	\$141,384,620	\$565,538,480	\$2,140,250	\$6,115,000	\$796,270,310	\$2,436,640,451	32.68%
2001	\$792,578,540	\$2,264,510,114	\$146,647,350	\$586,589,400	\$1,837,230	\$5,249,229	\$941,063,120	\$2,856,348,743	32.95%
2002	\$795,239,240	\$2,272,112,114	\$147,758,070	\$591,032,280	\$2,871,980	\$8,205,657	\$945,869,290	\$2,871,350,051	32.94%
2003	\$849,407,420	\$2,426,878,343	\$139,336,130	\$557,344,520	\$3,052,130	\$8,720,371	\$991,795,680	\$2,992,943,234	33.14%

- (1) Exempt properties are not included in the estimated actual values or in assessed valuations.
- (2) The estimated actual values for real estate property were derived by 35% of the assessed values of real estate property. Refer to "Note J - Property Tax Revenues" in the Notes to the General Purpose Financial Statements.
- (3) The estimated actual values for personal property and public utility were derived from an average rate of the assessed values (the average rate consists of varying rates for manufacturing equipment, inventory and other equipment) for the ten fiscal years presented.

SOURCE: Huron County Auditor's office

TABLE 5
HURON COUNTY, OHIO
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS (1)
Last Ten Fiscal Years

Tax Collection Year	Current Assessments Levied	Current Assessments Collected	Current Assessments Collected as a Percent of Current Assessments Levied	Delinquent Assessments Collected	Total Assessments Collected	Delinquent Assessments Collected as a Percent of Total Assessments Collected	Accumulated Delinquencies
1994	\$191,942	\$182,963	95.32%	\$7,523	\$190,486	3.95%	\$21,726
1995	\$188,111	\$174,367	92.69%	\$6,211	\$180,578	3.44%	\$17,429
1996	\$164,391	\$151,954	92.43%	\$7,795	\$159,749	4.88%	\$42,522
1997	\$156,290	\$147,902	94.63%	\$7,028	\$154,930	4.54%	\$48,338
1998	\$150,189	\$141,609	94.29%	\$4,941	\$146,550	3.37%	\$58,091
1999	\$170,384	\$160,431	94.16%	\$18,829	\$179,260	10.50%	\$117,192
2000	\$214,269	\$203,767	95.10%	\$4,376	\$208,143	2.10%	\$65,369
2001	\$261,186	\$229,435	87.84%	\$10,381	\$239,816	4.33%	\$92,258
2002	\$241,836	\$231,517	95.73%	\$9,709	\$241,226	4.02%	\$92,033
2003	\$295,327	\$269,369	91.21%	\$12,699	\$282,068	4.50%	\$107,325

(1) Assessment levies and collections include assessment districts outside the County entity

SOURCE: Huron County Auditor's Office.

TABLE 6
HURON COUNTY, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
Last Ten Fiscal Years

Collection Year:	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
COUNTY ENTITY:										
General Fund.....	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
OTHER ENTITIES:										
Mental Health District.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Bond Retirement.....	0.04	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MRTC Operating.....	2.10	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Senior Services Center.....	0.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Health District.....	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total County-Wide Rates.	5.49	6.79	6.75	6.75	6.75	6.75	6.75	6.75	6.75	6.75
SCHOOL DISTRICTS										
Bellevue	41.15	39.90	39.70	35.30	41.70	41.70	40.70	40.00	39.30	39.30
Norwalk	40.80	40.60	40.60	40.60	44.93	44.93	44.93	44.65	44.65	44.65
Willard	47.49	46.60	46.65	45.75	45.75	45.75	45.75	45.15	44.45	44.45
Monroeville	49.60	48.80	48.80	51.81	51.71	51.71	50.91	48.50	48.10	48.10
New London	33.70	33.00	32.70	32.10	36.19	36.19	36.19	35.60	35.60	35.60
South Central	34.50	38.00	38.50	38.30	38.30	38.30	38.30	37.85	37.85	37.85
Western Reserve	36.10	36.10	36.10	31.10	31.10	31.10	34.96	34.60	34.60	34.60
Seneca East	38.30	38.30	40.30	40.30	40.30	40.30	40.30	40.30	30.30	30.30
Berlin-Milan	52.45	53.65	53.65	57.35	57.35	57.35	58.26	58.15	58.15	58.15
Buckeye Central	46.26	46.80	46.80	46.55	45.00	45.00	45.00	45.00	45.00	45.00
Plymouth	37.40	35.90	35.70	35.50	35.30	35.30	37.10	37.30	36.00	36.00
Wellington	28.00	33.55	33.10	32.10	28.00	28.00	28.00	28.00	28.00	28.00
EHOVE	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95
Lorain JVSD	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45	2.45
Pioneer JVSD	3.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Vanguard JVSD	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60

-continued

TABLE 6
HURON COUNTY, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
Last Ten Fiscal Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
MUNICIPALITIES										
Bellevue	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Greenwich	7.40	7.40	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90
Milan	4.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Monroeville	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
New London	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
North Fairfield	6.70	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30
Norwalk	9.10	9.10	8.70	8.25	8.25	8.25	8.25	7.80	7.80	7.80
Plymouth	10.30	15.30	15.30	19.50	19.50	19.50	19.50	19.50	19.50	19.50
Wakeman	11.70	6.50	9.50	9.50	9.50	9.50	9.50	9.50	6.50	6.50
Willard	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
TOWNSHIPS										
Bronson	4.00	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Clarksfield	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Fairfield	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40
Fitchville	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Greenfield	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.80	5.80
Greenwich	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40
Hartland	5.90	6.40	6.40	6.40	6.40	6.40	6.40	6.90	6.90	6.90
Lyme	5.10	5.10	5.10	5.10	5.10	5.10	5.10	6.50	6.50	6.50
New Haven	4.80	4.80	4.80	4.80	4.80	4.80	4.90	4.90	4.90	4.90
New London	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Norwalk	3.70	3.70	3.70	3.70	1.30	1.30	1.30	1.30	1.30	1.30
Norwich	4.80	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30
Peru	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Richmond	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Ridgefield	5.88	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Ripley	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Sherman	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Townsend	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Wakeman	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
SPECIAL DISTRICTS										
Firelands Ambulance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tri-Community Ambulance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Huron River Joint Fire	2.75	2.75	4.70	4.70	4.30	4.30	4.30	4.30	4.00	2.50
Tri-Community Fire	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00
Wakeman Fire	4.77	4.77	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Bellevue Public Library	0.00	0.00	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Norwalk Public Library	0.00	0.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.55
Milan Public Library	0.00	0.00	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Vermilion Ambulance	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00

(1) Property tax rates are determined by a combination of the County-wide tax rates and the applicable school district, township or municipality.

SOURCE: Huron County Auditor's Office

TABLE 7
HURON COUNTY, OHIO
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Total Population (1)	Assessed Values (2)	Gross General Bonded Debt	Less Debt Service Fund Balance	Net General Bonded Debt	Percent of Net General Bonded Debt to Assessed Value	Per Capita Net General Bonded Debt
1994	57,540	\$599,122,746	\$4,275,000	\$24,947	\$4,250,053	0.709%	\$74.30
1995	57,865	\$669,938,566	\$4,255,000	\$27,798	\$4,227,202	0.631%	\$73.53
1996	58,190	\$679,201,160	\$8,953,369	\$32,829	\$8,920,540	1.313%	\$153.86
1997	58,515	\$707,147,176	\$8,688,369	\$11,604	\$8,676,765	1.227%	\$148.48
1998	58,840	\$782,003,570	\$8,438,369	\$11,604	\$8,426,765	1.078%	\$143.41
1999	59,165	\$796,270,310	\$8,178,369	\$0	\$8,178,369	1.027%	\$138.23
2000	59,487	\$941,063,120	\$7,908,369	\$0	\$7,908,369	0.840%	\$132.94
2001	59,500	\$945,869,290	\$7,623,369	\$0	\$7,623,369	0.806%	\$128.12
2002	59,500	\$951,270,940	\$8,598,369	\$4,922	\$8,593,447	0.903%	\$144.51
2003	59,855	\$991,795,680	\$7,958,369	\$0	\$7,958,369	0.802%	\$132.96

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

(2) See table 4

SOURCE: Huron County Auditor's Office

TABLE 8
HURON COUNTY, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED
DEBT (1) TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
Last Ten Fiscal Years

Fiscal Year	General Obligation Principal	General Obligation Interest	Total General Bonded Debt Service (1)	Total General Governmental Expenditures (2)	Ratio of Total General Bonded Debt Service to Total General Governmental Expenditures (2)
1994	\$20,000	\$4,900	\$24,900	\$21,798,328	0.11%
1995	\$20,000	\$298,009	\$318,009	\$28,655,220	1.11%
1996	\$100,000	\$337,006	\$437,006	\$28,478,223	1.53%
1997	\$265,000	\$520,733	\$785,733	\$34,134,455	2.30%
1998	\$250,000	\$509,028	\$759,028	\$30,699,271	2.47%
1999	\$260,000	\$497,648	\$757,648	\$32,731,776	2.31%
2000	\$270,000	\$485,363	\$755,363	\$35,204,371	2.15%
2001	\$285,000	\$472,278	\$757,278	\$38,232,491	1.98%
2002	\$295,000	\$458,091	\$753,091	\$38,149,080	1.97%
2003	\$405,000	\$425,734	\$830,734	\$38,399,460	2.16%

(1) Excluding general obligation debt reported in the enterprise funds and special assessment debt

(2) Includes General, Special Revenue, Debt Service, Capital Projects and Expendable Trust funds

SOURCE: Huron County Auditor's Office

TABLE 9
HURON COUNTY, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

Direct legal debt limitation (1):		
3.0% of the first \$100,000,000 assessed valuation		\$3,000,000
1.5% on excess of \$100,000,000 not in excess of \$300,000,000		3,000,000
2.5% on the amount in excess of \$300,000,000		19,756,758
		25,756,758
Total direct legal debt limitation		25,756,758
Total of all County debt outstanding	\$9,767,110	
Less:		
Enterprise fund general obligation bonds	\$1,573,741	
Job & Family Services (3)	4,010,000	
Fairgrounds Improvements	525,000	
Old Job & Family Services Demolition	100,000	
Jail Facility Bonds (3)	3,558,369	
		(9,767,110)
Total exempt debt	(9,767,110)	
Total net indebtedness subject to direct debt		0
Direct legal debt margin		\$25,756,758
Unvoted debt limitation (1% of total assessed valuation)	\$9,917,957	
Total net indebtedness	0	
		0
Total unvoted legal debt margin		\$9,917,957

(1) Direct legal debt limitation is outlined by the Ohio Revised Code, codifications 133.02 and 133.05.

(2) Unvoted legal debt margin is limited to 1% of County assessed valuation.

(3) Excluded by state statute.

TABLE 10
HURON COUNTY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2003

	Debt Outstanding (1)	Percent Applicable to County	Amount Applicable to County
Direct Debt:			
County	\$8,193,369	100%	\$8,193,369
Overlapping Debt:			
School Districts:			
Bellevue City School	62,832	44%	27,646
Berlin-Milan School	284,612	16%	45,538
New London School	62,840	90%	56,556
Western Reserve School	235,600	99%	233,244
Municipalities:			
Bellevue	1,686,000	53%	893,580
Milan	278,100	19%	52,839
Monroeville	44,000	100%	44,000
New London	30,000	100%	30,000
Norwalk	4,672,244	100%	4,672,244
Willard	5,220,283	100%	5,220,283
Overlapping Debt	12,576,511	89.66%	11,275,930
Total Direct and Overlapping Debt	\$20,769,880	93.74%	\$19,469,299

(1) Includes only general obligation bonds supported by general revenue.
Does not include general obligation bonds recorded in Enterprise funds.

TABLE 11
HURON COUNTY, OHIO
PROPERTY VALUE, BANK DEPOSITS AND CONSTRUCTION ACTIVITY
AS OF DECEMBER 31, 2003

Year	Assessed Value (1)	Bank Deposits at December 31 (2)	Building Permits Issued (3)
1994	\$599,122,746	\$219,322,000	746
1995	\$669,938,566	\$234,406,000	516
1996	\$679,201,160	\$154,471,000	914
1997	\$707,147,176	\$161,075,000	893
1998	\$782,003,570	\$197,656,000	984
1999	\$796,270,310	\$197,266,000	904
2000	\$941,063,120	\$198,665,000	946
2001	\$945,869,290	\$207,021,000	817
2002	\$951,270,940	\$87,029,000	714
2003	\$991,795,680	\$88,818,000	672

(1) See table 4

(2) SOURCE: Federal Reserve Bank of Cleveland

(3) Source: Department of Building Inspection

TABLE 12
HURON COUNTY, OHIO
PRINCIPAL PROPERTY TAXPAYERS
AS OF DECEMBER 31, 2003

Taxpayer	Business	Assessed Valuation	Percent of Total Assessed Valuation
Central Soya Inc.	Grain Dealer	\$42,677,740	4.51%
Donnelley R R Sons Co.	Book Binding	\$18,426,430	1.95%
MTD Mass Retail Group Inc.	Machinery	\$18,412,150	1.95%
Ohio Edison	Utility	\$9,660,090	1.03%
Armstrong Air Conditioning	Appliances	\$9,415,580	0.99%
Sunrise Cooperative	Grain Dealer	\$8,439,120	0.89%
Verizon North Inc.	Utility	\$7,401,260	0.79%
Pepperidge Farm Inc.	Baked Goods	\$6,348,070	0.67%
Jason Wisconsin	Upholstery	\$5,076,950	0.53%
Railroad CSX Transportation Inc.	Railroad	\$5,018,060	0.53%
		\$130,875,450	13.83%

SOURCE: Huron County Auditor's office

TABLE 13
HURON COUNTY, OHIO
DEMOGRAPHIC STATISTICS
AS OF DECEMBER 31, 2003

POPULATION

YEAR	Population
1998	58,840
1999	59,165
2000	59,487
2001	59,500
2002	59,624
2003	59,855

SOURCE: U.S. Bureau of the Census

UNEMPLOYMENT

YEAR	County Employed	County Unemployed	Unemployment Rate		
			County	Ohio	U.S.
1999	27,300	2,200	7.40%	4.20%	4.00%
2000	27,100	2,300	7.70%	4.10%	3.50%
2001	29,800	2,200	7.20%	3.90%	3.30%
2002	26,600	2,300	8.10%	4.50%	4.10%
2003	26,700	2,700	9.10%	5.50%	5.00%

EMPLOYMENT BY INDUSTRIAL GROUP

INDUSTRIAL GROUP	Payroll totals (1) (in 000's)		
	2000	2001	2002
Agriculture, forestry fishing and other.....	\$12,500	\$10,904	\$11,202
Construction.....	66,678	64,206	66,321
Manufacturing.....	366,380	337,363	324,458
Transportation and utilities.....	37,302	26,770	28,445
Wholesale and retail trade.....	85,313	95,709	45,895
Finance, insurance and real estate.....	14,570	15,845	12,945
Services.....	92,866	107,560	163,063
State and local government.....	75,475	78,243	82,271
Total.....	\$751,084	\$736,600	\$734,600

(1) Payroll totals include only those employees covered by State Unemployment Compensation

SOURCE: Ohio Bureau of Employment Services

TABLE 14
HURON COUNTY, OHIO
MISCELLANEOUS STATISTICS
AS OF DECEMBER 31, 2003

Date Formed: 1809

County Seat: Norwalk

County Employees: 525

Number of political subdivisions totally or partially within the County

Municipalities: 10

Townships: 19

School Districts: 12

Higher Educational Facilities Within 25 Miles of Huron County

Firelands College	Ashland College
Terra Technical College	Tiffin University
Lorain Community College	Heidelberg College
Ohio State University - Mansfield Branch	

Major Metropolitan Areas and
Neighboring Communities

Miles From
County Seat

Norwalk	-
Monroeville	3
North Fairfield	8
Bellevue	9
Wakeman	9
Willard	13
New London	13
Greenwich	13
Plymouth	15

Ten Largest Employers

Number of Employees

R. R. Donnelley & Sons	1,600
MTD Products/Midwest Industries	1,100
Norwalk Furniture	900
Pepperidge Farms Inc.	600
Huron County	525
Fisher-Titus Medical Center	500
Armstrong Air Conditioning	500
Janesville Products	475
Industrial Powder Coatings	400
Venture Packaging	346



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HURON COUNTY FINANCIAL CONDITION

HURON 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
SEPTEMBER 21, 2004**