

Fairfield County, Ohio

Citizens' Report



Popular Annual Financial Report

For the Year Ended December 31, 2002

Issued by Barbara Curtiss
Fairfield County Auditor

Front Cover Photo: The Turkey Run Primitive Baptist Church, located in Amanda township, was built and dedicated in 1835. In that year, more than 500 people from the surrounding area turned out for the church's dedication. Because the church could seat only 80 people, the service was held on the adjacent hillside. The creek behind the church (Turkey Run) was used over the years for immersion baptisms.

The church provided faithful service to its members over many generations. The three remaining members of the congregation made a gift of this church to the Fairfield County Historical Parks District in 2000. The last service was held in September 2001.

The Fairfield County Historical Parks District now owns and maintains this structure.

Additional copies of this report may be obtained from:
Fairfield County Auditor's Office
210 E. Main Street
Lancaster, Ohio 43130

Phone requests can be made at (740) 681-7160 or (740) 681-7225 (fax).

A .PDF version of this report is available online at:
<http://www.co.fairfield.oh.us/AUDITOR/index.htm>

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AWARDS

Fairfield County participates in various awards programs sponsored by the Government Finance Officer's Association (GFOA). Each individual program has certain requirements that must be met in order to qualify. During fiscal year 2002, the County received the following financial awards:

Certificate of Achievement for Excellence in Financial Reporting

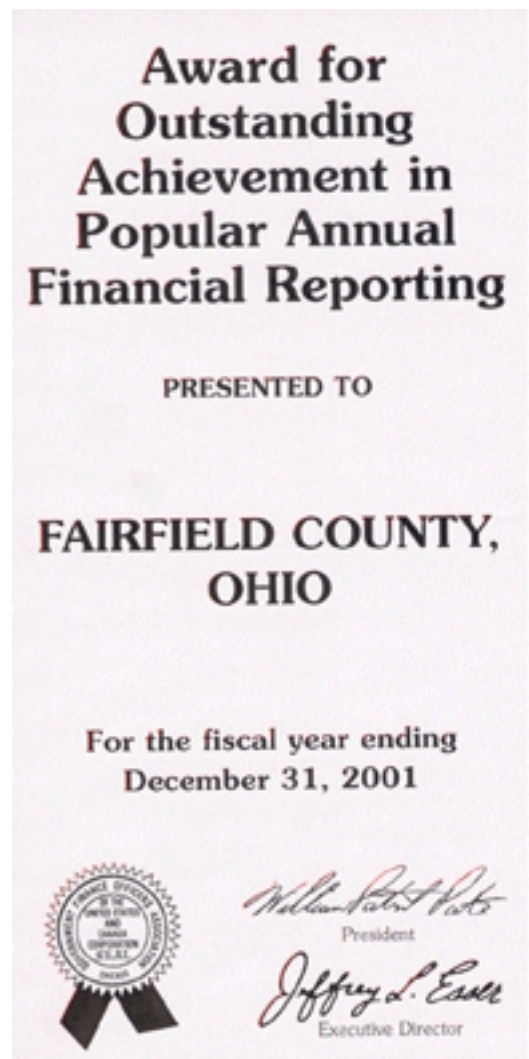
Given for outstanding preparation of the Comprehensive Annual Financial Report

The County received this award in 2002 for the 13th consecutive year.

Award for Outstanding Achievement in Popular Annual Financial Reporting

Given for outstanding preparation of the Popular Annual Financial Report

The County received this award in 2002 for the first time. Its 2001 popular report was the County's first submission to this program.





Barbara Curtiss

FAIRFIELD COUNTY AUDITOR

210 East Main Street
Lancaster, Ohio 43130-3882

Voice (740) 687-7021
Fax (740) 687-6781

Citizens of Fairfield County

I am pleased to present the Fairfield County Popular Annual Financial Report (PAFR) for the year ended December 31, 2002. This report provides a brief analysis of the sources of County revenues and where those dollars are spent, the County's financial position, and an overview of local economic trends. Above all, it is designed to present a more readable and understandable financial report.

The information in this report was drawn from the financial information appearing in the 2002 Fairfield County Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) and was audited by the Ohio Auditor of State, receiving an unqualified opinion. An unqualified opinion means that the general purpose financial statements of the County are fairly presented and without material misrepresentation. The CAFR consists of more than 250 pages of detailed financial statements, notes, schedules, and reports.

The PAFR is a condensed, more user-friendly financial report intended to provide highlights of the primary government from the County's CAFR. The CAFR contains information from all Fairfield County funds and account groups and is designed to bring greater awareness of the financial condition of our county to its citizens and other interested parties.

The PAFR, however, is unaudited and is presented on a non-GAAP basis. The major differences between GAAP and non-GAAP reporting deals with not including component units and in the presentation of segregated funds, as well as full disclosure of all material financial and non-financial events in notes to the financial statements. Individuals who desire to review GAAP basis, full disclosure financial statements should refer to the County's CAFR, which is available from the County Auditor's office and online at www.co.fairfield.oh.us/AUDITOR/index.htm.

The Popular Annual Financial Report of Fairfield County is presented as a means of enhancing the public's confidence in County government and the stewardship of its elected officials through easier, more friendly financial reporting. As you review the following pages, I invite you to share any questions, concerns, or recommendations you may have. Please call the Fairfield County Auditor's Office with questions, comments, or suggestions regarding this report at (740) 687-7160.

Sincerely,

Barbara Curtiss
Fairfield County Auditor

HOW TO CONTACT US

Fairfield County Website

www.co.fairfield.oh.us

ELECTED OFFICIALS

Board of Commissioners

Jon D. Myers (740) 687-7198
Judith K. Shupe (740) 687-7195
Mike Kiger (740) 687-7199

Auditor

Barbara Curtiss (740) 687-7027

Clerk of Courts

Ron Balsler (740) 687-7113

Coroner

Dr. Thomas R. Vajen (740) 687-6774

Engineer

Frank Anderson (740) 687-7050

Prosecutor

David L. Landefeld (740) 653-4259

Recorder

Gene Wood (740) 687-7100

Sheriff

Dave Phalen (740) 653-5223

Treasurer

Jon Slater, Jr. (740) 687-7140

Court of Common Pleas:

General

Judge Joseph T. Clark (740) 687-7059
Judge Chris A. Martin (740) 687-7040

Court of Common Pleas:

Probate and Juvenile

Judge Steven O. Williams (740) 687-7135

Court of Common Pleas:

Domestic Relations

Judge S. Farrell Jackson (740) 687-7087

PRINCIPAL APPOINTED OFFICIALS AND DEPARTMENT HEADS

County Administrator

Patrick Harris (740) 687-7106

Clerk of County Commissioners

Jacqueline Long (740) 687-7191

Human Resources Director

Anita Hager (740) 687-6775

Board of Elections Director

Alice Nicolia (740) 687-7000

Buildings and Grounds Superintendent

Joe Spybey (740) 687-6772

Dog Warden

Mike Miller (740) 653-4582

Sanitary Engineer

Kerry Hogan (740) 687-7014

Department of Jobs and Family Services Director

Michael Orlando (740) 687-6725

Alcohol, Drug Addiction and Mental Health Board Director

Orman Hall (740) 654-0829

Mental Retardation and Developmental Disabilities Board Superintendent

John Pekar (740) 687-7244

Emergency Services Administrator (Acting)

Michelle Dille (740) 654-2217

Health Commissioner (Acting)

Dr. Mark Aebi (740) 653-5317

Veterans Services Director

Eddie Mohler (740) 687-7121

Fairfield County Airport Authority President

Steve Goodyear (740) 654-7001

FINANCIAL OVERVIEW

Fairfield County, Ohio

The County's financial activities are accounted for primarily in the governmental funds where the focus is not profit or loss, but rather on services required and the cost to provide those services. Those services are described in the "Services Rendered" section below, and the means to pay for those services are described in the "Financial Resources" section. The County's other major activities are accounted for in the proprietary funds, composed of the Water and Sewer enterprise fund operations and a self-funded health insurance fund (internal service) for County employees.

Financial Resources are monies the County receives from a variety of sources to pay for services it provides.

Taxes are revenues from sales taxes, real estate taxes, personal property taxes, trailer taxes, motor vehicle license taxes, and property transfer taxes.

Licenses and Permits are revenues from the selling of vendor, cigarette, junkyard, and dog licenses and other items.

Charges for Services are fees paid by the public to various County departments and agencies.

Fines and Forfeitures are revenues derived from fines levied in the courts and money received from a variety of forfeitures, including drug arrests and seized property.

Intergovernmental Revenues are primarily grants and funding from the State of Ohio and the Federal Government.

Special Assessments are levied on real estate tax bills by the County and other governments for providing improvements to citizens' properties, such as sewer service or drainage management.

Water and Sewer Revenues are the combined charges for services to customers by the Water and Sewer Department.

Health Insurance revenues are charges made to all County offices and agencies to provide health benefits to County employees.

Services Rendered are the amounts spent to provide services to citizens.

Legislative and Executive expenditures are the costs incurred for administrative offices, including the Auditor, Commissioners, Treasurer, Prosecutor, and Recorder.

Judicial expenditures are the costs of administering justice through the Fairfield County Courts system.

Public Safety expenditures are the costs of the Coroner, Probation, and Sheriff's departments.

Public Works expenditures are the costs incurred by the Engineer to maintain county roads and bridges.

Health expenditures include services provided by the Board of Mental Retardation/Developmental Disabilities, Dog and Kennel, and the Mental Health and Recovery Services.

Human Services expenditures are the costs of operating the Job and Family Services department.

Transportation expenditures are costs related to the Airport.

Intergovernmental expenditures are the costs associated with the County contributing annually to local governments and organizations.

Capital Outlay expenditures are specifically related to the purchase, acquisition, and construction of improvements to County buildings, land, equipment, and vehicles.

Debt Service expenditures are the interest and principal payments made on County debt.

Water and Sewer Expenses are the combined costs to operate the County's water and sewer districts.

Health Insurance expenses are the costs to provide insurance for medical-related expenses to County employees.

FINANCIAL ACTIVITY STATEMENT

Fairfield County, Ohio

For the Years Ended December 31, 2002 and 2001

The **Financial Activity Statement**, known by many as the Income Statement, is designed to provide a record of the money received and spent by the County during the past year.

	<u>2002</u>	<u>2001</u>
Financial Resources		
Taxes.....	\$ 22,932,388	\$ 21,207,200
Licenses and Permits.....	238,861	241,904
Charges for Services.....	7,212,334	6,365,459
Fines and Forfeitures.....	638,224	437,874
Intergovernmental.....	33,572,302	33,556,563
Special Assessments.....	299,684	255,356
Water and Sewer Revenues.....	5,795,314	6,365,045
Interest.....	2,177,621	2,837,758
Rent.....	764,661	628,140
Miscellaneous.....	1,281,036	2,272,389
Health Insurance.....	4,528,345	3,929,282
Total Resources Received.....	<u>79,440,770</u>	<u>78,096,970</u>
Services Rendered		
Legislative and Executive.....	8,068,177	8,080,505
Judicial.....	4,162,547	4,057,006
Public Safety.....	9,656,234	9,008,325
Public Works.....	4,073,333	6,610,518
Health.....	14,975,129	12,388,713
Human Services.....	17,096,811	18,128,151
Transportation.....	129,908	77,635
Other.....	1,092,605	865,928
Intergovernmental.....	1,742,673	511,524
Capital Outlay.....	8,678,238	10,290,080
Debt Service.....	3,515,217	3,522,543
Water and Sewer Expenses.....	3,557,617	3,449,683
Health Insurance.....	4,767,993	4,061,990
Total Services Rendered.....	<u>81,516,482</u>	<u>81,052,601</u>
Financial Resources Received		
(Under) Services Rendered.....	<u>\$ (2,075,712)</u>	<u>\$ (2,955,631)</u>

This statement is presented on a non-GAAP basis. Those readers desiring to review GAAP basis reports should refer to the County's 2002 Comprehensive Annual Financial Report.

To see the 2002 CAFR, please contact the Fairfield County Auditor's Office or go online to:

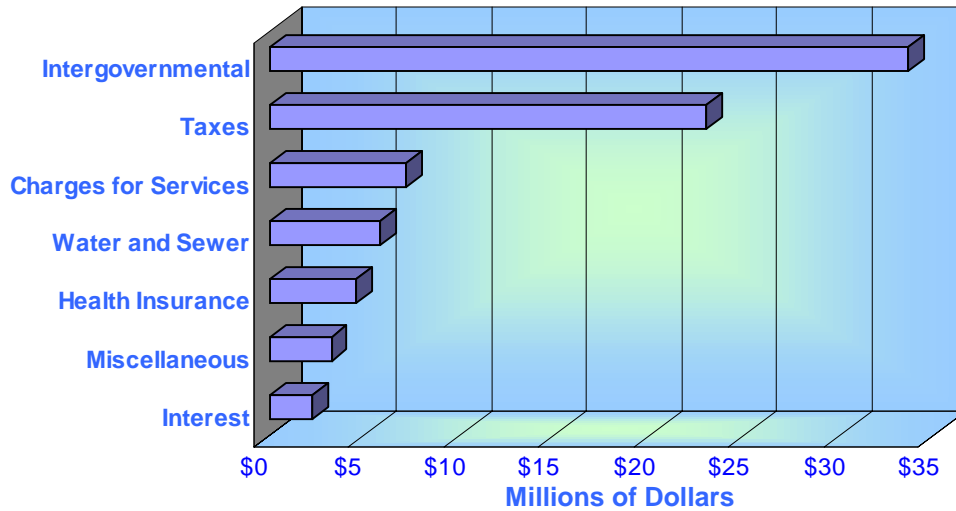
[www.co.fairfield.oh.us/AUDITOR/
index.htm](http://www.co.fairfield.oh.us/AUDITOR/index.htm)

Click on **Reports**.

This table includes the governmental and proprietary funds.

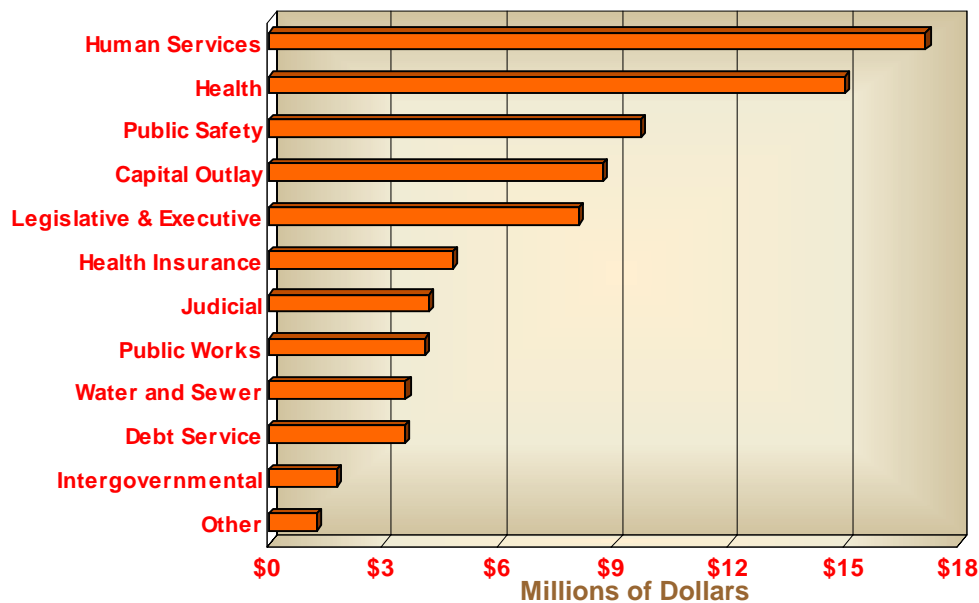
WHERE THE MONEY CAME FROM

Fairfield County Revenues for 2002
\$79,440,770



WHERE THE MONEY WAS SPENT

Fairfield County Expenditures for 2002
\$81,516,482



FINANCIAL POSITION STATEMENT

Fairfield County, Ohio

As of December 31, 2002 and 2001

The **Financial Position Statement**, known by many as the Balance Sheet, is designed to provide a picture of the County's financial position at the end of the year.

	2002			2001		
	Governmental and Internal Service Funds	Enterprise Funds	Total	Governmental and Internal Service Funds	Enterprise Funds	Total
Assets						
Cash.....	\$ 40,073,785	\$ 10,713,222	\$ 50,787,007	\$ 42,615,094	\$ 7,869,223	\$ 50,484,317
Receivables.....	28,862,221	894,419	29,756,640	26,500,889	669,649	27,170,538
Property and equipment.....	-	47,143,128	47,143,128	-	42,951,970	42,951,970
Other assets.....	1,520,577	184,183	1,704,760	894,274	213,241	1,107,515
Total Assets.....	<u>70,456,583</u>	<u>58,934,952</u>	<u>129,391,535</u>	<u>70,010,257</u>	<u>51,704,083</u>	<u>121,714,340</u>
Liabilities						
Accrued wages and benefits.....	1,240,598	101,946	1,342,544	1,086,854	137,884	1,224,738
Payables.....	2,936,697	1,335,372	4,272,069	1,937,467	749,787	2,687,254
Due to other funds and governments.....	1,549,358	156,543	1,705,901	734,140	80,544	814,684
Notes, bonds, loans, and leases payable.....	1,100,000	26,165,204	27,265,204	11,075,000	22,019,662	33,094,662
Other liabilities.....	24,445,435	322,906	24,768,341	23,009,704	223,120	23,232,824
Total Liabilities.....	<u>31,272,088</u>	<u>28,081,971</u>	<u>59,354,059</u>	<u>37,843,165</u>	<u>23,210,997</u>	<u>61,054,162</u>
Net Equity - Excess of Assets Over Liabilities.....	<u>\$ 39,184,495</u>	<u>\$ 30,852,981</u>	<u>\$ 70,037,476</u>	<u>\$ 32,167,092</u>	<u>\$ 28,493,086</u>	<u>\$ 60,660,178</u>

Assets are those items owned by the County that will provide a benefit in the future.

Cash is the amount of physical cash held by the County in checking accounts and on hand for purposes of paying expenses.

Receivables represent the amounts that are owed to the County and are expected to be paid over the course of the next twelve months.

Property and equipment represents the furniture, equipment, vehicles, land, buildings, and water and sewer equipment that provide for an economic benefit to the County of more than one year.

Liabilities are those items that the County owes to individuals, companies, other governments, and lenders.

Accrued wages and benefits are those payments that the County owes to employees for salaries, the associated benefits, and accrued leave.

Payables are those payments that the County owes to companies or individuals who supply services or goods to the County.

Due to other funds and governments are primarily the amounts owed to other funds or entities of the County from property taxes. The remainder is amounts owed to other governments outside the County

for goods or services provided by them to the County.

Notes, bonds, loans, and leases payable are the amounts owed for the issuance of debt on which the County still owes.

THE COUNTY'S DEBT INSTRUMENTS

Fairfield County, Ohio

As of December 31, 2002

The County employs the use of several different types debt instruments for short and long-term financing.

Bond Anticipation Notes are generally short-term debt instruments due in one year or less and are issued to raise money for projects of the County. These notes are usually converted into bonds after a short period of time.

General Obligation Bonds are long-term debt instruments that are repaid from the County's general revenue sources. They are backed by the full faith and credit of the County.

Special Assessment Bonds are issued to pay for improvements benefiting property owners. The property owners repay the County over a period of years for the debt.

EPA Loan are debt instruments issued by the Ohio Environmental Protection Agency and are repaid from the County's Sewer Fund.

Capital Leases are contracts made by the County's departments for the acquisition of assets such as copiers, mail machines, and so forth. The departments pay for these contracts from their annual budgets.

SUMMARY OF DEBT OBLIGATIONS

For the Year Ended December 31, 2002

	Balance			Balance
	Dec. 31, 2001	Additions	Deletions	Dec. 31, 2002
Bond Anticipation Notes.....	\$ 21,175,000	\$ 26,901,632	\$ 22,375,000	\$ 25,701,632
General Obligation Bonds.....	19,950,000	-	680,000	19,270,000
Special Assessment Bonds.....	1,158,000	983,367	110,000	2,031,367
EPA Loan.....	2,293,417	-	156,419	2,136,998
Capital Leases.....	856,659	293,242	433,004	716,897
	<u>\$ 45,433,076</u>	<u>\$ 28,178,241</u>	<u>\$ 23,754,423</u>	<u>\$ 49,856,894</u>
Allocation of County's Debt			Percent	Amount
Governmental Funds			47.5%	\$ 23,691,690
Water and Sewer Funds (self-funded)			52.5%	26,165,204
				<u>\$ 49,856,894</u>

DEBT OUTSTANDING TREND ANALYSIS

Past Five Years

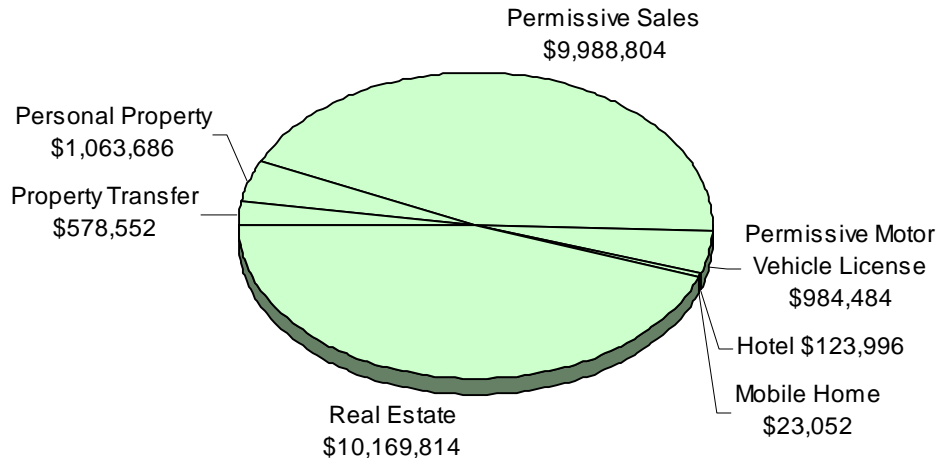
	1998	1999	2000	2001	2002
Bond Anticipation Notes.....	\$ 6,075,000	\$ 8,819,000	\$ 19,481,000	\$ 21,175,000	\$ 25,701,632
General Obligation Bonds.....	5,900,000	13,660,000	13,410,000	19,950,000	19,270,000
Special Assessment Bonds.....	725,000	674,000	1,262,760	1,158,000	2,031,367
EPA Loan.....	2,731,049	2,590,260	2,444,442	2,293,417	2,136,998
Capital Leases.....	321,737	183,568	607,140	856,659	716,897
	<u>\$ 15,752,786</u>	<u>\$ 25,926,828</u>	<u>\$ 37,205,342</u>	<u>\$ 45,433,076</u>	<u>\$ 49,856,894</u>

TAX REVENUES

Fairfield County, Ohio

Breakdown of Tax Collections in 2002

\$22,932,388



Tax Levies for 2002

Fund	Real Estate	Personal Property	Total
General	\$ 5,079,294	\$ 339,280	\$ 5,418,574
Road and Bridge	966,403	65,239	1,031,642
Mental Health	392,470	97,859	490,329
Mental Retardation and Developmental Disabilities	4,230,734	417,530	4,648,264
Total	\$ 10,668,901	\$ 919,908	\$ 11,588,809

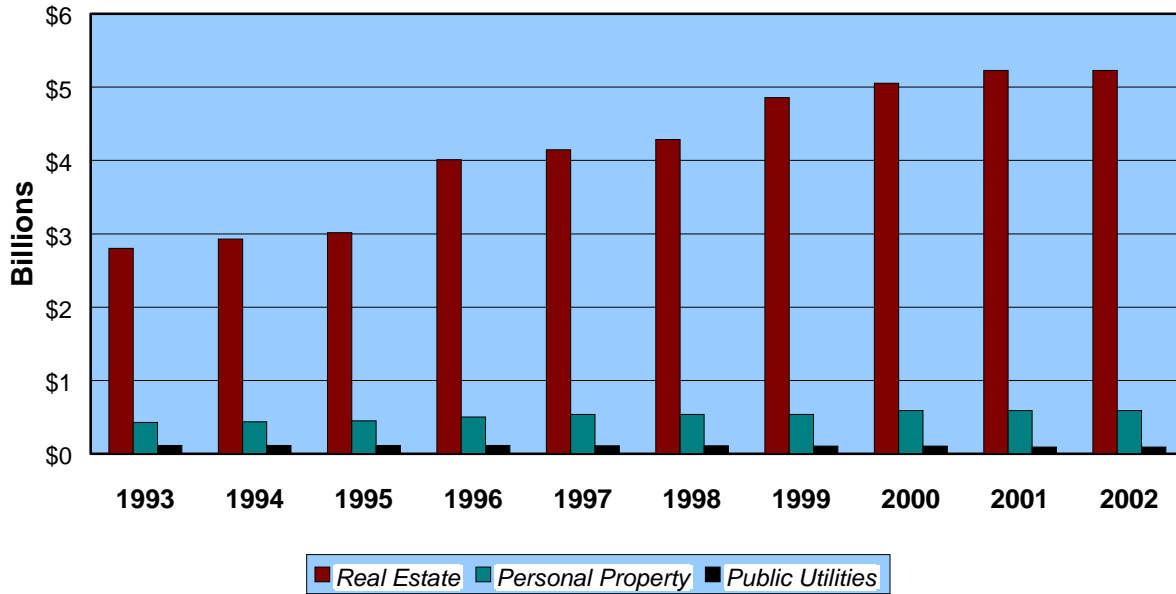
Ten Largest Taxpayers in 2002

Enterprise	Nature of Business	Value To Be Taxed
Anchor Hocking Glass Corporation	Glass manufacturer	\$24,595,720
Ohio Power	Electric utility	\$22,733,210
Columbia Gas Transmission	Natural gas utility	\$22,023,120
Glimcher Holdings (includes Glimcher Centers LTD)	Real estate partnership	\$18,902,590
South Central Power	Electric utility	\$15,993,050
Ralston Food Inc.	Food processor	\$9,406,700
Brentwood Lake Inc.	Real estate rentals	\$8,577,360
McDermott Inc. (dba Diamond Power International)	Manufacturing	\$7,382,900
Ohio Bell Telephone	Telephone utility	\$6,012,380
Cyril Scott	Printing	\$5,854,510

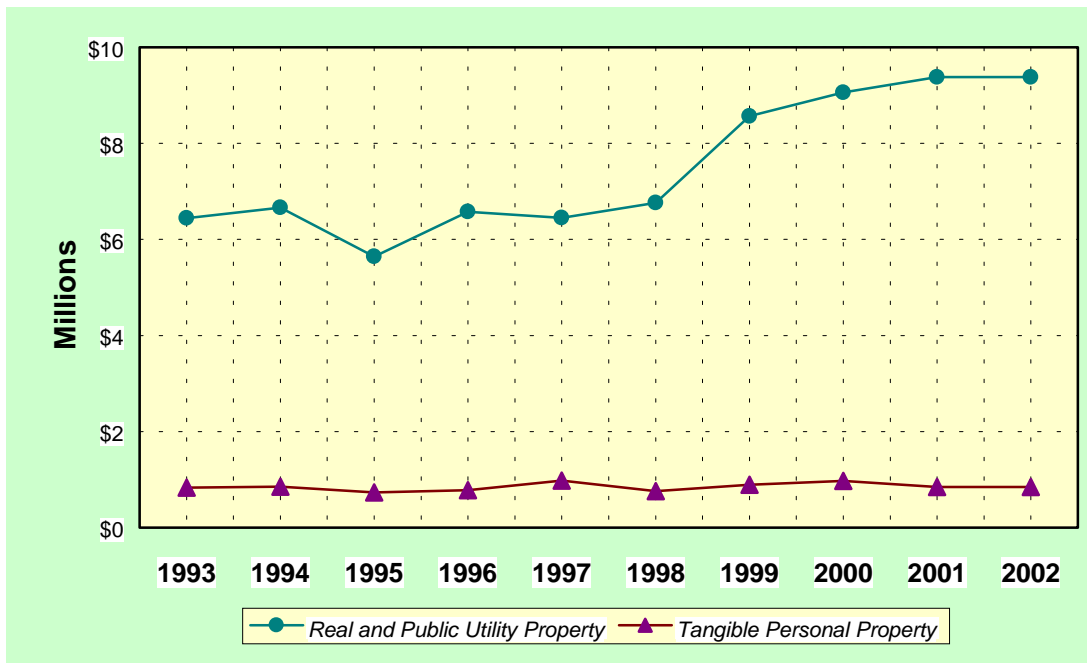
PROPERTY VALUES AND TAX COLLECTIONS

Fairfield County, Ohio

Property Values for the Last Ten Years

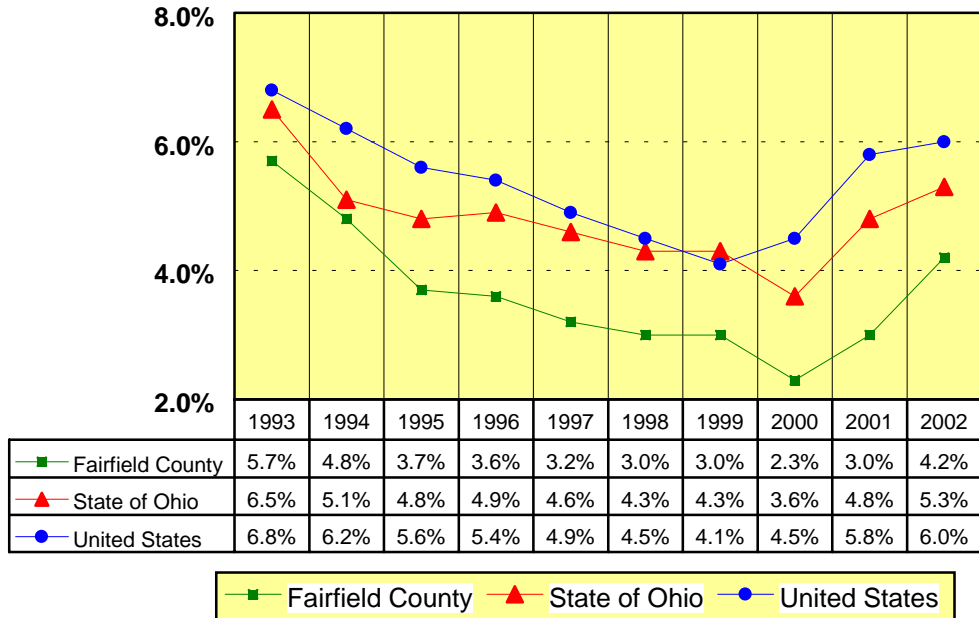


Property Tax Collections for the Last Ten Years

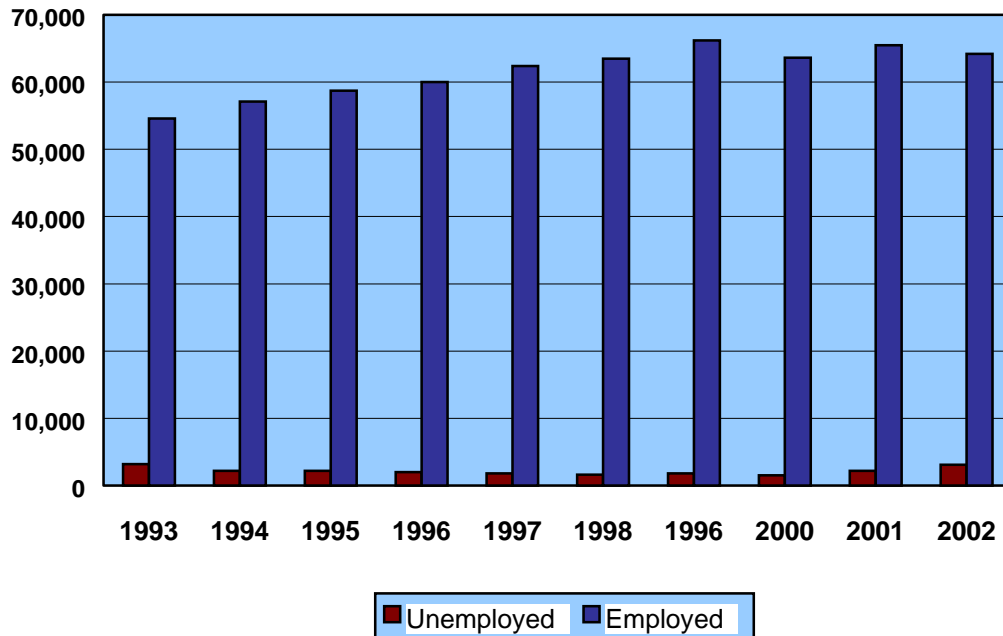


AVERAGE UNEMPLOYMENT RATES

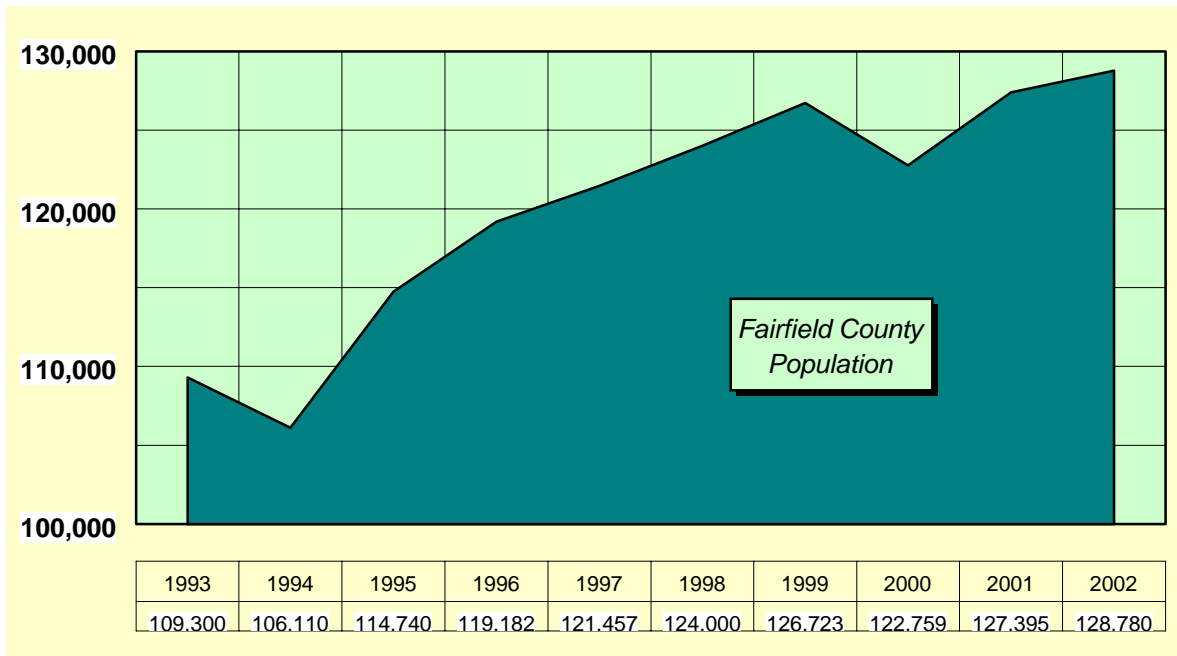
Fairfield County, Ohio



EMPLOYED vs. UNEMPLOYED COUNTY CITIZENS



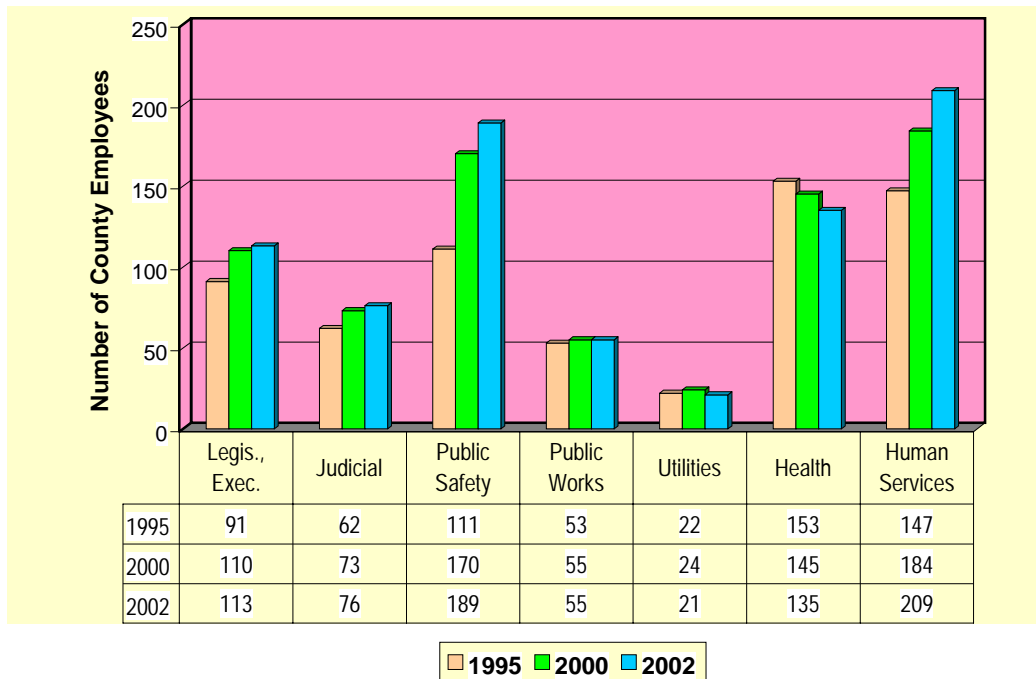
COUNTY POPULATION



The 2000 population figure is an actual count – from the U. S. Census Bureau. The years 1993–1999 and 2001 are estimates, annually provided by the U.S. Census Bureau. The Ohio Department of Development provided the estimate for 2002.

COUNTY EMPLOYEE WORKFORCE

By Function of Government



These employees are paid from revenues in the general governmental funds and in the enterprise funds.

MISCELLANEOUS STATISTICS

Fairfield County, Ohio

<i>Date created</i>	December 1800
<i>County seat</i>	Lancaster, Ohio
<i>2002 Census population estimate</i>	128,780
<i>2000 Census population</i>	122,759
<i>Number of municipalities</i>	14
<i>Number of townships</i>	13
<i>Area</i>	505 square miles; ranked 23rd of the 88 Ohio counties
<i>Water lines</i>	511,239 feet - 4,947 customer accounts
<i>Sewer lines</i>	649,940 feet - 5,576 customer accounts
<i>County roads</i>	352.19 miles
<i>Township roads</i>	567.73 miles
<i>State routes</i>	195.63 miles
<i>Number of licensed drivers</i>	88,907
<i>Number of County employees</i>	798

Health Care

<i>Hospitals, outpatient medical centers</i>	Fairfield Medical Center, River View Surgery Center
<i>Hospital beds</i>	235
<i>Nursing homes</i>	10
<i>Nursing home beds</i>	879

Public Education

<i>Public schools</i>	42
<i>Students</i>	16,057
<i>Average Number of Students Per Teacher</i>	19.2
<i>School districts</i>	13
<i>Institutions of higher education</i>	Ohio University - Lancaster (4,000 students) Southeastern Business College (150 students)

Recreation and Travel

<i>Municipal parks</i>	24 parks - 650 acres
<i>Public tennis courts</i>	17
<i>Health clubs/fitness centers</i>	8
<i>Day and night baseball diamonds</i>	25
<i>Golf courses</i>	6
<i>Museums</i>	15
<i>Libraries</i>	8
<i>County fairgrounds</i>	1, with 68 acres
<i>Hotels/motels</i>	11, with 685 rooms
<i>Bed & Breakfast Inns</i>	8
<i>Campgrounds</i>	4
<i>Radio stations</i>	3
<i>Newspapers - daily</i>	Lancaster Eagle Gazette - daily circulation of 17,000
<i>Newspapers - weekly</i>	2

Voting Statistics (2002 General Election)

<i>Registered voters</i>	76,212
<i>Actual voters</i>	40,307
<i>Percentage of actual voters to registered voters</i>	52.89%

Sources: Lancaster-Fairfield Chamber of Commerce, US Census Bureau/County and City Data Book, Ohio Department of Public Safety, and various offices of the Fairfield County government.