COMPREHENSIVE ANNUAL FINANCIAL REPORT

JEFFERSON COUNTY FISCAL COURT
JEFFERSON COUNTY, KENTUCKY

Fiscal Year Ended June 30, 2002

Prepared by:
Finance & Administration Department

Beth Stenberg
Chief Financial Officer at June 30, 2002

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JEFFERSON COUNTY FISCAL COURT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year ended June 30, 2002

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JEFFERSON COUNTY FISCAL COURT
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For the Fiscal Year ended June 30, 2002

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LOUISVILLE, KENTUCKY

OFFICE OF THE MAYOR

JERRY E. ABRAMSON
MAYOR

LARRY M. HAYES
DEPUTY MAYOR

February 26, 2003

To Fellow Citizens of Jefferson County:

As Deputy Mayor and Cabinet Secretary for Finance and Administration of Metro Louisville, I present the Comprehensive Annual Financial Report of Jefferson County (Kentucky) Fiscal Court for the fiscal year ended June 30, 2002. This is the final annual report issued for Jefferson County, which merged with the City of Louisville on January 6, 2003 to become Louisville/Jefferson County Metro Government.

The report reflects a government that is financially stable. Jefferson County departments continue to be recognized as centers of excellence, and the County is a national model for the delivery of human services. The County has aggressively addressed the complex welfare reform issue of reducing welfare dependence, and has successfully coordinated a response to the housing needs of homeless families. The County also received accreditation for both the Jefferson County Youth Center and the Jefferson County Emergency Medical Services, as well as maintained the accreditation for the medical division of the Corrections Department.

The commitment to the Jefferson County taxpayers has always been to provide quality, essential public services within the existing revenue base. With this historical merger, we open the door for a new form of representation, with new opportunities. We have a responsibility to those we serve to continue to provide more efficient, responsive, ethical, and customer friendly services.

Sincerely,

Larry M. Hayes
Deputy Mayor

LOUISVILLE METRO HALL 527 WEST JEFFERSON STREET LOUISVILLE, KENTUCKY 40202 502.574.2003

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LOUISVILLE, KENTUCKY

LOUISVILLE METRO FINANCE DEPARTMENT

JERRY E. ABRAMSON
MAYOR

JANE C. DRISKELL
CHIEF FINANCIAL OFFICER

February 26, 2003

To the Citizens of Jefferson County:

As Chief Financial Officer for the Louisville / Jefferson County Metropolitan Government (Metro Government), I have the distinct pleasure of submitting the Comprehensive Annual Financial Report (CAFR) for the Jefferson County Fiscal Court for the year ended June 30, 2002. On January 6, 2003 the Jefferson County Fiscal Court and the City of Louisville Governments merged and formed a new entity called the Louisville / Jefferson County Metropolitan Government. As Chief Financial Officer for the Metro Government I have overseen completion of the CAFR for the former Jefferson County Fiscal Court. Responsibility for the accuracy, completeness and fairness of the data, including all disclosures, rests with the Metro Government. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to report fairly the financial position and results of operations of Jefferson County Fiscal Court. All disclosures necessary to enable the reader to gain an understanding of the Fiscal Court's financial activities are included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this letter of transmittal, Fiscal Court's organization chart and a list of members of Fiscal Court for the time period of the report. The financial section includes Managements Discussion and Analysis ("MD&A"), the financial statements, required supplementary information, as well as the auditor's report on the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, is provided in a separate report.

Governmental Accounting Standards Board (GASB) Statement 34 instituted new reporting requirements for governmental entities. A new section in this CAFR, the MD&A, discusses the financial and economic highlights of the Fiscal Court.

FINANCIAL INFORMATION

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Jefferson County Fiscal Court are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived, and b) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county assistance, Jefferson County Fiscal Court is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the Jefferson County Fiscal Court's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that Fiscal Court has complied with applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2002 provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

As demonstrated by the statements and schedules included in the financial section of this report, Jefferson County Fiscal Court continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit. Kentucky law (KRS 64.810) requires the Auditor of Public Accounts to perform the annual audit of the funds of the Fiscal Court. A copy of the Auditor of Public Accounts report is included in this report. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1984, Single Audit Amendments of 1996, Government Auditing Standards and the Office of Management and Budget Circular A-133.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Jefferson County Fiscal Court for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. In order to be awarded a Certificate of Achievement, the Fiscal Court published an easily readable and efficiently organized Comprehensive Annual Financial Report. The report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the Fiscal Court's current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the CAFR was made possible by the dedicated service of the staff of the Department of Finance, and the staff of the Auditor of Public Accounts, without whose efficient and dedicated services this last report of the Jefferson County Fiscal Court could not have been compiled.

Respectfully submitted,

Jane C. Driskell
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

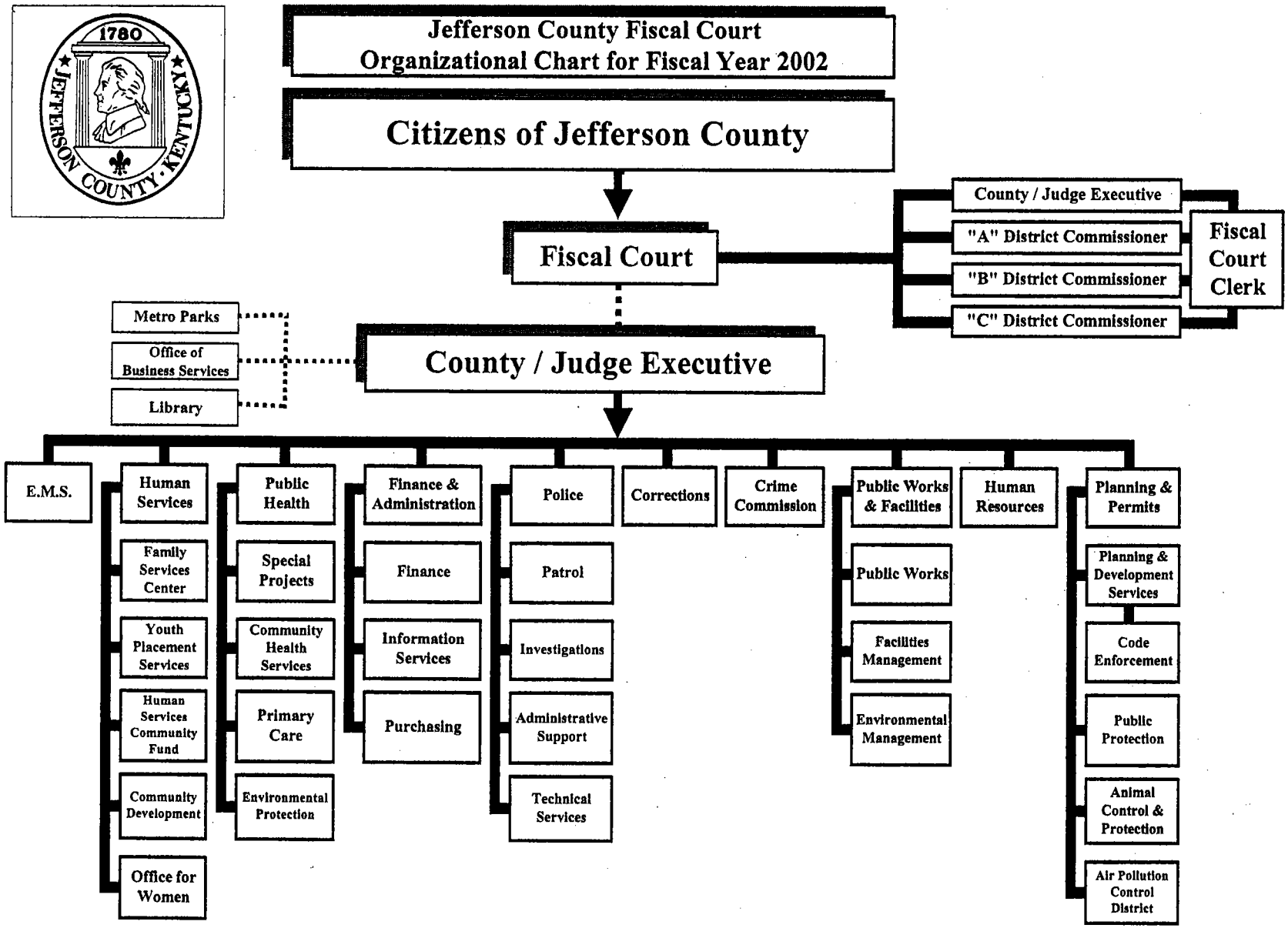
Jefferson County Fiscal Court, Kentucky

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2001

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

President

Executive Director


Jefferson County Fiscal Court
Organizational Chart for Fiscal Year 2002
Citizens of Jefferson County
Fiscal Court
County / Judge Executive
"A" District Commissioner
"B" District Commissioner
"C" District Commissioner
Fiscal Court Clerk
Metro Parks
Office of Business Services
Library
County / Judge Executive
E.M.S.
Human Services
Family Services Center
Youth Placement Services
Human Services Community Fund
Community Development
Office for Women
Public Health
Special Projects
Community Health Services
Primary Care
Environmental Protection
Finance & Administration
Finance
Information Services
Purchasing
Police
Patrol
Investigations
Administrative Support
Technical Services
Corrections
Crime Commission
Public Works & Facilities
Public Works
Facilities Management
Environmental Management
Human Resources
Planning & Permits
Planning & Development Services
Code Enforcement
Public Protection
Animal Control & Protection
Air Pollution Control District

JEFFERSON COUNTY FISCAL COURT

JEFFERSON COUNTY, KENTUCKY

Fiscal Year Ended June 30, 2002

Rebecca Jackson.....County Judge/Executive

Fiscal Court Members

Russ Maple.....Commissioner, "A" District

Delores Delahanty.....Commissioner, "B" District

Darryl T. Owens.....Commissioner, "C" District

Finance & Administration Department

Beth Stenberg.....Chief Financial Officer at June 30, 2002

Completion assistance by Metro Finance officials

EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Jerry Abramson, Metro Mayor
Members of the Louisville Metro Government Council
Honorable Rebecca Jackson, Former Jefferson County Judge/Executive
Former Members of the Jefferson County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Jefferson County Fiscal Court (Fiscal Court), as of and for the year ended June 30, 2002, which collectively comprise the Fiscal Court's basic financial statements, as listed in the accompanying table of contents. These financial statements are the responsibility of the Fiscal Court's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Fiscal Court, as of June 30, 2002, and the respective changes in financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note C to the financial statements, in fiscal year 2002, the Fiscal Court adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; Statement No. 36, *Recipient Reporting for Certain Shared Non-exchange Revenues;* Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments;* and Statement No. 38, *Certain Financial Statement Note Disclosures.*

144 CAPITOL ANNEX
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ehatchett@kyauditor.net

AN EQUAL OPPORTUNITY EMPLOYER M/F/D

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To the People of Kentucky
Honorable Paul E. Patton, Governor
Gordon C. Duke, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable Jerry Abramson, Metro Mayor
Members of the Louisville Metro Government Council
Honorable Rebecca Jackson, Former Jefferson County Judge/Executive
Former Members of the Jefferson County Fiscal Court
(Continued)

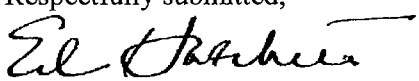
The Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund on pages 3 through 12 and 54 through 55 are not a part of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. As a result of such limited procedures, we believe that the budgetary comparison schedule for the General Fund is not in conformity with guidelines established by the GASB because the budgeted amounts are not presented in accordance with the basis of accounting described in the notes to the required supplementary information. Furthermore, the budgeted and actual amounts shown in the schedule are not presented on the same basis of accounting.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fiscal Court's basic financial statements. The combining and individual non-major fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based upon our audit, is fairly presented in all material respects in relation to the Fiscal Court's basic financial statements taken as a whole.

The information presented in the Introductory and Statistical Sections as listed in the table of contents has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 26, 2003 on our consideration of the Fiscal Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
February 26, 2003

Our discussion and analysis of Jefferson County Fiscal Court's ("Fiscal Court") financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2002.

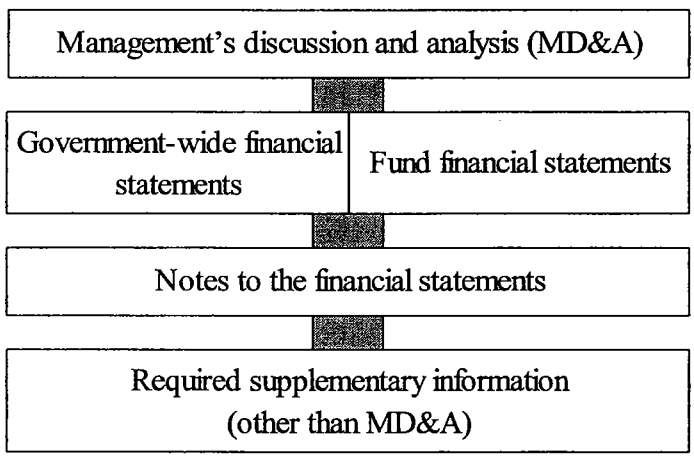
Please read it in conjunction with Fiscal Court's financial statements, which begin on page 14.

Financial Highlights

Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* instituted new reporting requirements for governmental entities. One requirement is to present comparative analyses of prior-year and current-year financial information for net assets and changes in net assets. Comparable government-wide prior-year information is not readily available, and GASB permits governments to omit such comparisons for the first year of implementing the new reporting standards. However, a comparison based on the fund financial statements is available and has been presented.

Fiscal Court's net assets decreased by $25.9 million (or 3.9%). Despite this decrease in net assets we have maintained a stable financial position.

Using This Annual Report



This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 14-16) provide information about the activities of Fiscal Court as a whole and present a longer-term view of Fiscal Court's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report Fiscal Court's operations in more detail than the government-wide statements by providing information about Fiscal Court's most significant funds. The remaining statements provide financial information about activities for which Fiscal Court acts solely as a trustee or agent for the benefit of those outside of the government.

Continued

Reporting Fiscal Court as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of Fiscal Court as a whole begins on page 5 with the Government-Wide Financial Statements. One of the most important questions raised about Fiscal Court's finances is whether Fiscal Court as a whole is better off or worse off as a result of the year's activities. The Statement of Net Assets and the Statement of Activities report information about Fiscal Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Fiscal Court's net assets and changes in them. You can think of Fiscal Court's net assets, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure Fiscal Court's financial health, or financial position. Over time, increases or decreases in Fiscal Court's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in Fiscal Court's property tax base and the condition of Fiscal Court's capital assets (roads, buildings, etc.) to assess the overall health of the Fiscal Court.

The Government-Wide Financial Statements of Fiscal Court are divided into two categories:

- Governmental Activities: Most of the County's basic services are reported here, including the police, general administration, streets, and parks. Occupational tax, sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Component Unit: Fiscal Court includes the Louisville/Jefferson County Riverport Authority in its report. Although legally separate, this "component unit" is important because Fiscal Court is financially accountable for it.

Reporting Fiscal Court's Most Significant Funds

Fund Financial Statements

Our analysis of Fiscal Court's major funds begins on page 8. The fund financial statements begin on page 17 and provide detailed information about the most significant funds – not Fiscal Court as a whole. Some funds are required to be established by State law and by bond covenants. However, other funds are established, as needed, to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds: Most of Fiscal Court's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using accounting methods called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of Fiscal Court's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance Fiscal Court's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

Continued

Fiscal Court As A Whole

This is a summary of Fiscal Court's net assets:

JEFFERSON COUNTY FISCAL COURT
NET ASSETS
(amounts in thousands)

	Governmental Activities
Current and other assets	$ 70,651
Capital assets	891,319
Total assets	961,970
Long-term liabilities	297,326
Other liabilities	19,058
Total liabilities	316,384
Net assets:	
Invested in capital assets, net of related debt	605,851
Restricted	14,911
Unrestricted	24,824
Total net assets	$ 645,586

Continued

This is a summary of Fiscal Court's changes in net assets:

JEFFERSON COUNTY FISCAL COURT
CHANGES IN NET ASSETS
(amounts in thousands)

	Governmental Activities
Revenues	
Program revenues:	
Charges for services	$ 33,673
Operating grants and contributions	34,027
Capital grants and contributions	17,387
General revenues:	
Property taxes	61,571
Other taxes	83,893
Investment income	1,135
Other	20,906
Total revenues	252,592
Program expenses	
General Government	20,066
Public Safety Operations	96,565
Health and Human Services	45,369
Public Works, Facilities Management,and Planning & Permits	66,226
Joint and External Agencies	32,172
Insurance and Reserves	3,235
Interest and other charges	16,148
	279,781
Excess (deficiency) before special items and transfers	(27,189)
Net gain on disposition of property	872
Unrestricted grants and contributions	400
Decrease in net assets	$ (25,917)

Continued

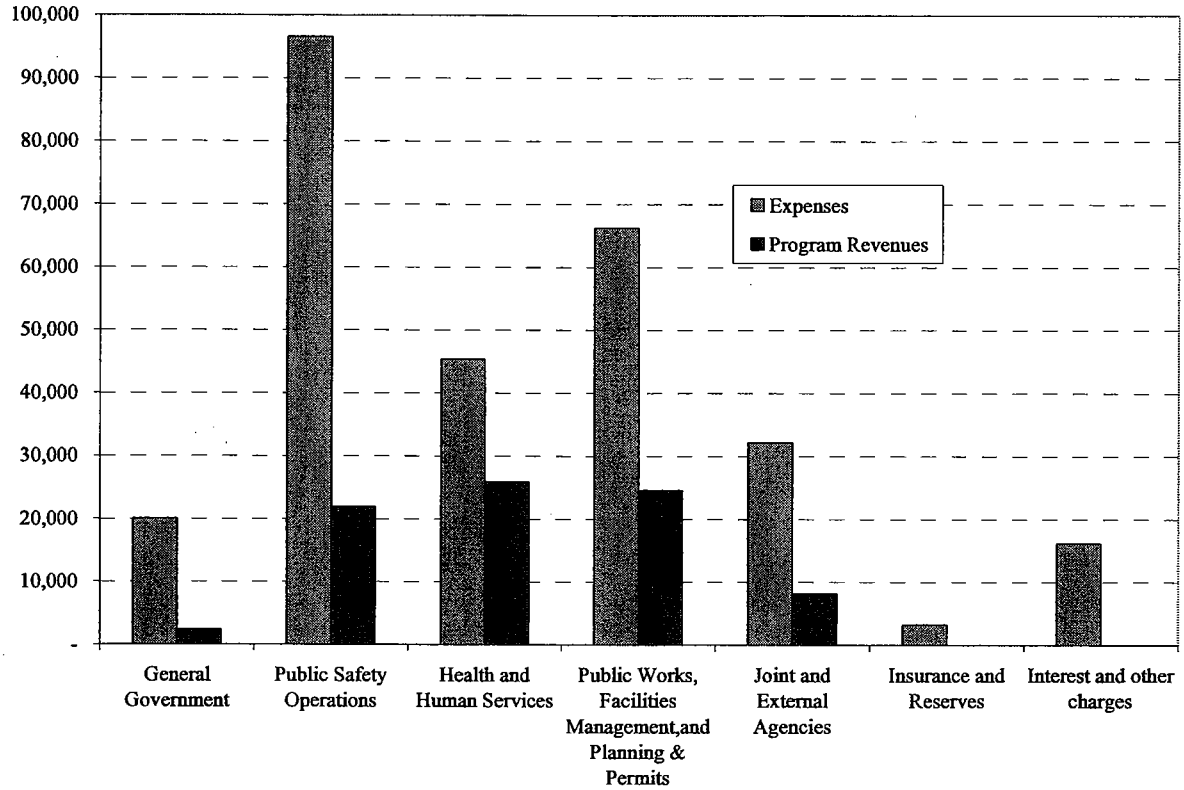
This schedule compares the revenues and expenditures for the current and previous fiscal year based on the fund financial statements, for the general, special revenue, and debt service funds:

	CURRENT YEAR AMOUNT	PERCENT OF TOTAL	PRIOR YEAR AMOUNT	INCREASE (DECREASE)	PERCENT OF INCREASE (DECREASE)
REVENUES					
Property taxes	$ 59,329,125	24.9%	$ 54,358,301	$ 4,970,824	9.1%
Occupational taxes	83,893,114	35.2%	82,762,716	1,130,398	1.4%
Licenses and permits	18,953,208	8.0%	21,167,394	(2,214,186)	(10.5%)
Intergovernmental	47,199,455	19.8%	31,774,038	15,425,417	48.5%
Charges for services	24,422,782	10.2%	27,435,313	(3,012,531)	(11.0%)
Investment income	1,060,539	0.4%	2,345,784	(1,285,245)	(54.8%)
Land sales	1,423,405	0.6%	-	1,423,405	
Miscellaneous	2,018,983	0.8%	5,844,223	(3,825,240)	(65.5%)
	$ 238,300,611	100.0%	$ 225,687,769	$ 12,612,842	
EXPENDITURES					
General Government	$ 19,245,400	8.4%	$ 18,085,502	$ 1,159,898	6.4%
Public Safety Operations	89,471,057	39.0%	87,088,719	2,382,338	2.7%
Health and Human Services	38,620,529	16.8%	38,275,123	345,406	0.9%
Public Works, Facilities Management,and Planning & Permits	25,753,285	11.2%	26,144,789	(391,504)	(1.5%)
Joint and External Agencies	27,268,736	11.9%	23,436,775	3,831,961	16.4%
Insurance and Reserves	3,213,088	1.4%	550,249	2,662,839	483.9%
Debt Principal	14,493,941	6.3%	10,100,461	4,393,480	43.5%
Interest and other charges	11,614,765	5.1%	14,837,655	(3,222,890)	(21.7%)
	$ 229,680,801	100.0%	$ 218,519,273	$ 11,161,528	

Continued

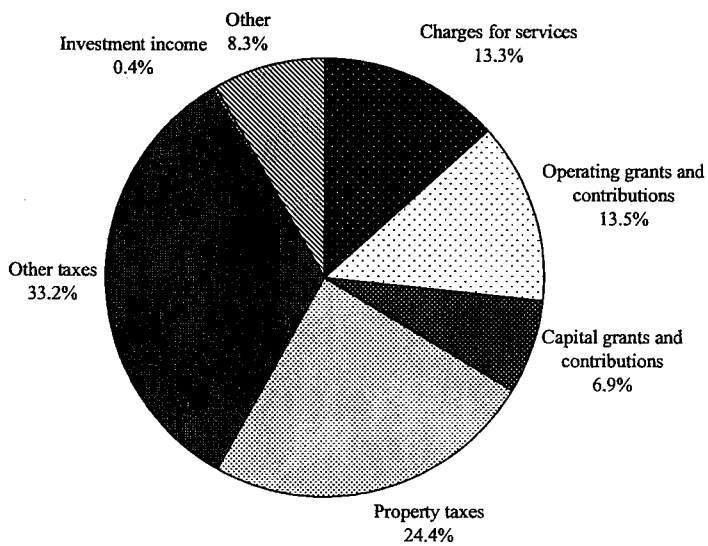
The County Funds

Governmental Activities



The cost of all governmental activities this year was $280 million.

This chart shows revenues by source:



Continued

Governmental fund balances declined by about $6.4 million during the fiscal year. Almost half of this decrease occurred in the General Fund, and was due largely to the general decline in the national economy, affecting both investment income and charges for services. In addition, the increase in occupational taxes this year was not as great as anticipated.

Fund balance in the Capital Improvement Reserve Fund decreased by just over $6 million, but the beginning fund balance was higher than normal because of transfers from the debt service funds in fiscal 2000 and 2001 that were not expended until this fiscal year.

The increase in property taxes of 9.1% occurred as a result of larger than expected growth in real estate, personal property, and motor vehicle values. The large increase in intergovernmental revenues is attributable primarily to an increase in federal grants received. In addition, intergovernmental revenues include a recurring amount of $4.4 million that was classified as Miscellaneous in the prior year. The decrease in investment income was largely due to the decline in interest rates during the year.

The increase in Public Safety Operations expenditures is a direct result of the higher federal grants received, as mentioned above. Joint and External Agencies' expenditures were higher due to significantly higher payments for the Belle of Louisville. The change in Insurance and Reserves is attributable to the fact that last year's amount was artificially low because of a balance sheet adjustment. The disparity between Debt Principal (increase of $4.4 million) and Debt Interest (reduction of $3.2 million) is a result of a debt refunding in the prior year, combined with two new issues in the prior year.

General Fund Budgetary Highlights

Over the course of the year, Fiscal Court revised the General Fund budget several times as authorized by the County Commissioners. These budget amendments fall into two categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to reflect the actual beginning account balances (correcting the estimated amounts in the budget adopted before the end of the fiscal year).
- Increases in appropriations to meet the government's needs.

After these budget adjustments, actual expenditures were $4.1 million below the final budget amounts. However, actual revenues for the year were $3.0 million lower than anticipated, due mainly to charges for services.

Continued

Capital Asset And Debt Administration

Capital Assets

At the end of June 30, 2002, Fiscal Court had $891.3 million invested in a broad range of capital assets, which represents a net decrease of $30.7 million, and the Louisville & Jefferson County Riverport Authority had $26.4 million in capital assets, representing a net decrease of $942 thousand, as shown in the following table.

JEFFERSON COUNTY FISCAL COURT
CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Total Percentage Change
	2001	2002	2001-2002
Land	$ 242,560,233	$ 244,066,187	0.6%
Land improvements	2,754,495	2,581,732	(6.3%)
Buildings	152,689,916	149,734,000	(1.9%)
Machinery and equipment	15,933,781	12,334,063	(22.6%)
Vehicles	9,805,940	10,913,796	11.3%
Works of art	1,393,710	1,401,297	0.5%
Infrastructure	495,843,245	466,849,356	(5.8%)
Construction in progress	997,500	3,438,245	244.7%
Total	$ 921,978,820	$ 891,318,676	(3.3%)

	Louisville and Jefferson County Riverport Authority		Total Percentage Change
	2001	2002	2001-2002
Land improvements	$ 8,412,902	$ 8,335,803	(0.9%)
Buildings	18,883,949	18,014,830	(4.6%)
Machinery and equipment	75,234	79,071	5.1%
Total	$ 27,372,085	$ 26,429,704	(3.4%)

Additional information on Fiscal Court's capital assets can be found in Notes M and N of this report.

Debt

At year-end, Fiscal Court had $283.2 million in outstanding debt, compared to $292.8 million last year, as shown in the following table.

JEFFERSON COUNTY FISCAL COURT
OUTSTANDING DEBT

	Governmental Activities		Total Percentage Change
	2001	2002	2001-2002
General obligation debt	$ 151,881,728	$ 143,617,232	(5.4%)
Revenue bonds	140,924,222	139,534,095	(1.0%)
Total	$ 292,805,950	$ 283,151,327	(3.3%)

The Jefferson County Fiscal Court has both general obligation debt and other long-term obligations issued on its behalf by public properties corporations that are component units of the Fiscal Court. Prior to changes in the Kentucky Constitution and Kentucky law allowing the issuance of general obligation debt, fiscal courts were permitted to establish public corporations that were empowered to incur indebtedness on their behalf. The corporations retire this debt through Fiscal Court's appropriation of annual lease payments to the public properties corporations in amounts sufficient to amortize annual principal and interest on the obligations incurred.

Public properties corporations, which have been established as component units of the Jefferson County Fiscal Court, are Jefferson County, Kentucky, Capital Projects Corporation; Jefferson County, Kentucky, Economic Development Corporation and Jefferson County, Kentucky, Community Economic Development Corporation.

Kentucky law also permits fiscal courts to issue notes for statutorily defined public purposes, provided, however, that the total outstanding principal amount of such direct borrowing, when added to the current year's budgeted general fund appropriations, may not exceed the total of the current year's general fund revenues and general fund unreserved, undesignated fund balance.

Total Bonds and Other General Long-Term Debt, in the form of General Obligation Bonds, Lease Revenue Bonds, and Notes Payable, excluding capital lease obligations, issued or incurred by or on behalf of the Jefferson County Fiscal Court or by its public properties corporations decreased from $294,994,182 at June 30, 2001 to $284,734,029 at June 30, 2002. This decrease of $10,260,153 (or 3.48%) was the result of $4,455,483 accreted interest allocated to future payments on the various series of municipal multiplier bonds and debt payments of $14,715,636.

Total net long-term debt of the Louisville and Jefferson County Riverport Authority decreased from $166,180 at June 30, 2001 to $142,054 at June 30, 2002. This decrease of $24,126 (or 14.5%) was due to regular debt service payments during the course of the year.

As of June 30, 2002, Jefferson County Fiscal Court has a balance of $1,725,100 in a Capital Reserve Account to provide for future capital and debt service requirements.

Additional information on Fiscal Court's long-term debt can be found in Notes H and M of this report.

Continued

Economic Factors

Jefferson County is the most populous of the 120 counties in the Commonwealth of Kentucky and is the demographic and economic center of the seven-county Louisville metropolitan statistical area (MSA). The economy experienced nominal growth during fiscal year 2001-02 resulting in occupational tax growth of slightly more than three percent. Employee withholding tax collections, the largest component, declined slightly, reflecting a slowdown in new job creation. However, this decline was offset by double-digit growth rates in both business net profits and insurance premium tax collections.

The total taxable property valuation and property tax collections increased last fiscal year. Taxable assessments of real property increased by nearly ten percent, reflecting continued strength in the local residential and commercial real estate values.

Modest growth in occupational tax collections is expected next fiscal year as the local and national economies begin a slow recovery. A significant reassessment of real property will result in another increase in taxable valuations, and in turn, an approximate five percent increase in real property tax collections in fiscal year 2002-03.

Major employers in Jefferson County include United Parcel Service, General Electric Co., Ford Motor Co., Kroger Co., Humana Inc., several financial institutions and healthcare facilities. Having a strong, vibrant, growing health-care presence strengthens Jefferson County's economy. The downtown Louisville Medical Center encompasses 20 city blocks and seven hospitals. It also contains R&D facilities, a biomedical incubator and a healthcare-related business park. During 2002 several major employers announced investments in the metro area. Ford announced an upgrade of the Louisville plant to increase production of the F-Series trucks. United Parcel Service entered into its third and final phase of its transition to Hub 2000, an automated system that will increase the number of packages handled daily without threatening employee jobs.

Contacting Fiscal Court's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Fiscal Court's finances and to show Fiscal Court's accountability for the money it receives. If you have questions about this report or need additional information, contact the Jefferson County Department of Finance, 527 West Jefferson Street, Louisville, Kentucky, 40202.

FINANCIAL STATEMENTS

JEFFERSON COUNTY FISCAL COURT
STATEMENT OF NET ASSETS

June 30, 2002

	Governmental Activities	Riverport
ASSETS		
Cash and cash equivalents	$ 31,006,847	$ 1,025,730
Investments	8,865,514	4,243,449
Accrued interest	100,299	49,694
Receivables (net)	17,339,507	2,861
Note receivable	137,400	
Due from component unit	400,000	
Due from other governments	9,089,862	
Deposit with paying agents	40,000	
Loans receivable, less allowance for uncollectible amounts	2,884,374	
Real estate held for sale		7,182,623
Prepaid items and deferred charges	248,755	
Land held for development	538,669	
Capital assets:		
Land and other non-depreciable assets	247,754,432	8,335,803
Infrastructure assets	752,068,781	
Other capital assets	266,629,607	28,966,841
Less accumulated depreciation	(375,134,144)	(10,872,940)
Capital assets, net	891,318,676	26,429,704
Total assets	961,969,903	38,934,061
LIABILITIES		
Accounts payable and accrued payroll	13,513,962	154,706
Due to other governments	103,341	
Deferred revenue	5,306,163	
Long-term liabilities:		
Due within one year	15,763,247	25,453
Due in more than one year	281,563,044	116,601
Other liabilities	134,724	
Total liabilities	316,384,481	296,760
NET ASSETS		
Invested in capital assets, net of related debt	605,851,431	26,287,650
Restricted for:		
Capital projects	14,910,445	
Unrestricted	24,823,546	12,349,651
Total net assets	$ 645,585,422	$ 38,637,301

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

JEFFERSON COUNTY FISCAL COURT
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2002

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government:					
Governmental activities:					
General Government	$ 20,066,194	$ 403,687	$ 2,015,700	$	$ (17,646,807)
Public Safety Operations	96,565,378	11,667,552	11,253,807	1,113,192	(72,530,827)
Health and Human Services	45,368,844	4,001,358	16,666,230	5,211,886	(19,489,370)
Public Works, Facilities Mgmt., and Planning & Permits	66,226,191	10,453,584	3,844,789	10,259,582	(41,668,236)
Joint and External Agencies	32,171,966	7,146,818	246,376	801,889	(23,976,883)
Insurance and Reserves	3,234,528				(3,234,528)
Interest on long-term debt	16,147,931				(16,147,931)
Total primary government/ governmental activities	$ 279,781,032	$ 33,672,999	$ 34,026,902	$ 17,386,549	$ (194,694,582)
Component unit:					
Riverport	$ 4,831,058	$ 3,951,805	$ 0	$ 0	$ (879,253)

(The statement of activities continues on the following page.)

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

JEFFERSON COUNTY FISCAL COURT
STATEMENT OF ACTIVITIES
(Continued)

For the Year Ended June 30, 2002

	Primary Government	
	Governmental Activities	Component Unit
Changes in Net Assets:		
Net (expense)/revenue (from preceding page)	$ (194,694,582)	$ (879,253)
General revenues:		
Taxes:		
Property taxes, levied for general purposes	61,571,125	
Occupational taxes	83,893,114	
Insurance premiums surcharge	13,892,479	
Other revenues not restricted to specific programs	7,014,152	356,091
Investment income	1,135,108	188,810
Unrestricted grants and contributions	400,000	(400,000)
Net gain on disposition of property	872,039	
Total general revenues, special items, and transfers	168,778,017	144,901
Change in net assets	(25,916,565)	(734,352)
Net assets--beginning, restated	671,501,987	39,371,653
Net assets--ending	$ 645,585,422	$ 38,637,301

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

JEFFERSON COUNTY FISCAL COURT
BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2002

	General Fund	Capital Improvement Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 23,266,994	$	$ 7,739,853	$ 31,006,847
Investments	4,564,375		4,301,139	8,865,514
Receivables:				
Accrued interest	83,213		17,086	100,299
Accounts receivable	16,975,591		363,916	17,339,507
Loans receivable	2,884,374			2,884,374
Notes receivable			137,400	137,400
Due from component unit	400,000			400,000
Due from federal/state governments	7,295,304	1,794,558		9,089,862
Interfund Receivable		13,610,811	37,489	13,648,300
Land Held for Development			538,669	538,669
Prepaid expenses	248,755			248,755
Deposit with paying agents	40,000			40,000
Total assets	$ 55,758,606	$ 15,405,369	$ 13,135,552	$ 84,299,527
LIABILITIES				
Accounts payable	$ 8,385,917	$ 2,337,124	$ 139,088	$ 10,862,129
Accrued payroll and withholdings	2,651,833			2,651,833
Interfund Payable	13,648,300			13,648,300
Due to other governments	103,341			103,341
Deferred revenue	7,514,410		33,753	7,548,163
Other liabilities	1,456,706		128,785	1,585,491
Total liabilities	33,760,507	2,337,124	$ 301,626	36,399,257
FUND BALANCES				
Reserved for:				
Encumbrances	566,131			566,131
Land held for development			409,883	409,883
Prepaid items	185,800			185,800
Long term-loans receivable	2,884,374		137,400	3,021,774
Unreserved, reported in:				
Debt service			2,987,737	2,987,737
General fund	18,361,794			18,361,794
Special revenue funds			7,456,706	7,456,706
Capital projects funds		13,068,245	1,842,200	14,910,445
Total fund balances	21,998,099	13,068,245	12,833,926	47,900,270
Total liabilities and fund balances	$ 55,758,606	$ 15,405,369	$ 13,135,552	

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	891,318,676
Certain revenues are earned but not available, and therefore, are deferred in the funds	2,242,000
Long-term liabilities, including bonds payable, are not due and payable in the current period and thererefore are not reported in the funds, except for $1,450,767 reported in General Fund	(295,875,524)
Net assets of governmental activities	$ 645,585,422

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

JEFFERSON COUNTY FISCAL COURT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2002

	General Fund	Capital Improvement Reserve Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 59,329,125	$	$	$ 59,329,125
Occupational taxes	83,893,114			83,893,114
Licenses and permits	18,953,208			18,953,208
Intergovernmental	42,803,455	10,204,492	4,396,000	57,403,947
Charges for services	20,623,768		3,799,014	24,422,782
Investment income	767,643		367,465	1,135,108
Land sales	1,423,405		579,020	2,002,425
Miscellaneous	2,018,983	3,594,160		5,613,143
Total revenues	229,812,701	13,798,652	9,141,499	252,752,852
EXPENDITURES				
Current operating:				
General Government	19,245,400	392,369		19,637,769
Public Safety Operations	88,359,311	108,570	1,091,803	89,559,684
Health and Human Services	38,620,529	5,966,894		44,587,423
Public Works, Facilities Management, and Planning & Permits	25,753,285	2,678,763		28,432,048
Joint and External Agencies	27,268,736	3,883,328	23,701	31,175,765
Insurance and Reserves	3,213,088			3,213,088
Debt service:				
Principal	346,335	271,482	14,147,606	14,765,423
Interest and other charges	101,099	77,682	11,513,666	11,692,447
Capital outlay		14,290,964	650,069	14,941,033
Total expenditures	202,907,783	27,670,052	27,426,845	258,004,680
Excess (deficiency) of revenues over expenditures	26,904,918	(13,871,400)	(18,285,346)	(5,251,828)
OTHER FINANCING SOURCES (USES)				
Cost of land held/sold			(1,130,386)	(1,130,386)
Transfers in		28,770,114	21,177,957	49,948,071
Transfers out	(28,770,114)	(21,177,934)	(23)	(49,948,071)
Total other financing sources and uses	(28,770,114)	7,592,180	20,047,548	(1,130,386)
Net change in fund balance	(1,865,196)	(6,279,220)	1,762,202	(6,382,214)
Fund balances--beginning	23,863,295	19,347,465	11,071,724	54,282,484
Fund balances--ending	$ 21,998,099	$ 13,068,245	$ 12,833,926	$ 47,900,270

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

JEFFERSON COUNTY FISCAL COURT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2002

Net change in fund balances–total governmental funds	$ (6,382,214)
Amounts reported for governmental activities in the Statement of Activities are are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation exceeded capital outlays in the current period.	(30,660,144)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,242,000
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	14,765,423
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(5,881,630)
Change in net assets of governmental activities	$ (25,916,565)

JEFFERSON COUNTY FISCAL COURT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

June 30, 2002

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 11,682
Total assets	$ 11,682
LIABILITIES	
Accounts payable	$ 11,682
Total liabilities	$ 11,682

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

NOTES TO THE FINANCIAL STATEMENTS

Note A--Organization and Reporting Entity

Jefferson County Fiscal Court (Fiscal Court) is a local governing body provided for in the Constitution of the Commonwealth of Kentucky. It consists of four constitutional officers: a County Judge/Executive and three Commissioners selected at large by voters of the geographic area comprising Jefferson County (including incorporated and unincorporated areas). The County Judge/Executive serves as Chairman of Fiscal Court and as Chief Executive Officer of departments and agencies that are subject to the policies and fiscal control of Fiscal Court. Pursuant to state statute, Fiscal Court is constituted as the effective general government of Jefferson County, Kentucky, and is responsible for the following government functions:

- Public safety operations include police, adult corrections, emergency medical services, public protection and regulation, animal control and protection, and coordination of fire protection services.

- Health and human services include social services for juveniles and adults, juvenile detention, services for the aging and disabled, community development, emergency financial assistance and public health.

- Environmental and community development includes public works, planning and permits, air pollution control, and parks and recreation.

- Intergovernmental affairs include interagency liaison staff, school transportation grant, financial and staff support for official regional planning and development activities and assistance to community and neighborhood associations.

- Economic development consists of official coordination of regional business and employment retention and growth efforts.

- Fiscal Court's program of public capital improvement is supported by direct discretionary appropriation from the General Fund to the Capital Improvement Reserve Fund (a capital projects fund) and by proceeds from the issuance of notes and bonds of Fiscal Court, and the issuance of bonds and notes of Fiscal Court's public properties corporations, which are included in this report.

The accompanying financial statements present the government and its component units. Blended component units, although legally separate entities, are, in substance, part of the Fiscal Court's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Fiscal Court.

Discretely Presented Component Unit

Louisville and Jefferson County Riverport Authority (Riverport)--Riverport was established pursuant to state statute and Fiscal Court resolution in order to develop an industrial complex in southwest Jefferson County. The County Judge/Executive, with the approval of Fiscal Court, appoints Riverport's governing board.

The primary purpose of Riverport is the development of a riverport industrial complex, which would include acquiring land, developing and marketing a portion of the land for industrial sites, establishing a foreign trade zone, constructing a riverport complex with rail and truck-served dock facilities, and engaging and overseeing a contract operator of the complex. The success of Riverport would have a direct impact on the financial success of Jefferson County Fiscal Court.

Note A--Organization and Reporting Entity--Continued

Blended Component Units

Jefferson County, Kentucky, Capital Projects Corporation (CPC)--The County Judge/Executive, with the approval of Fiscal Court, appoints the CPC's governing board. The CPC was incorporated by Fiscal Court as its agency and instrumentality in the financing of public improvements and projects of a capital nature for Fiscal Court. The CPC undertakes projects and issues bonds at the direction of and pursuant to ordinances adopted by Fiscal Court. All debt obligations of the CPC are serviced with rental payments made by Fiscal Court as consideration from annually renewable leases of the financed properties by Fiscal Court.

Jefferson County, Kentucky, Economic Development Corporation (EDC)--Pursuant to its Articles of Incorporation, the County Judge/Executive is President of the EDC and other designated officers of Fiscal Court serve as members of its governing board. The EDC was established, pursuant to state statue, to act as an agency and instrumentality of Fiscal Court in the acquisition of land, buildings, equipment, and specifically, industrial parks. The EDC undertakes projects and issues bonds at the direction of and pursuant to ordinances adopted by Fiscal Court.

Jefferson County, Kentucky, Community Economic Development Corporation (CEDC)--Pursuant to its Articles of Incorporation, the County Judge/Executive is President of the CEDC and other designated officers of Fiscal Court serve as members of its governing board. The CEDC was established, pursuant to state statute, to act as an agency and instrumentality of Fiscal Court in the acquisition and financing of public projects promoting economic and community development, employment and tourism within the County. The CEDC undertakes projects and issues bonds at the direction of and pursuant to ordinances adopted by Fiscal Court.

Complete financial statements for each of the individual component units may be obtained at 517 Court Place Suite 501, Louisville, KY 40202.

Jefferson County Constitutional Elected Officials--Jefferson County elected officials include:

- Jefferson County Attorney
- Jefferson County Clerk
- Jefferson County Coroner
- Commonwealth's Attorney, 30th Judicial Court
- Jefferson County Property Valuation Administrator
- Jefferson County Constable and Magistrates

The Kentucky constitution provides for the election of the foregoing officials from the geographic area constituting Jefferson County. Although these officials are not subject to the supervision of the County Judge/Executive and Fiscal Court, certain of their statutory activities benefit Fiscal Court and/or its citizens, and are conducted within the boundaries of Fiscal Court's jurisdiction. Fiscal Court supports these statutory activities through annual appropriations which are reflected in the financial statements.

Note A--Organization and Reporting Entity--Continued

Related Organizations Excluded From the Reporting Entity

The following related organizations are excluded from the reporting entity

Jefferson County Board of Education (the Board)--The Board is authorized by state constitution and statute to operate public elementary and secondary schools. Voters of Jefferson County elect its members, and the Board is authorized to levy taxes, issue bonds, and conduct its financial affairs subject to the supervision of the Kentucky Department of Education.

Louisville and Jefferson County Metropolitan Sewer District (the District)--The County Judge/Executive, with the approval of Fiscal Court, and the Mayor of the City of Louisville (the "City"), appoints members of the District's governing board. However, these appointments are ceremonial in character, and there is not a continuing relationship between Fiscal Court and the District with respect to carrying out the District's public functions. The District is authorized by state statute to provide sanitary sewer service and wastewater treatment to the residents of Jefferson County, and it is further authorized by law to charge certain fees for these services and to budget revenues there from for operations and debt service on obligations it is authorized to issue. Fiscal Court and the City, from time to time, at their discretion, have appropriated funds and/or incurred indebtedness to finance capital improvements for the benefit of the District and its customers. The appropriations have been accounted for in Fiscal Court's and the City's General Fund, and such indebtedness has been recorded in Fiscal Court's and the City's Debt Service Funds.

Louisville and Jefferson County Regional Airport Authority--The County Judge/Executive, with the approval of Fiscal Court, the Mayor of the City of Louisville, and the Governor of the Commonwealth of Kentucky, appoint members of the Airport Authority's governing board. However, these appointments are ceremonial in character and there is not a continuing relationship between Fiscal Court and the Airport Authority with respect to carrying out the Airport Authority's public functions. The Airport Authority is authorized by state statute to operate commercial and general aviation facilities in the multi-county Louisville metropolitan region, and it is further authorized by law to charge certain user fees for its services and to budget revenues there from for operations and debt service on obligations it is authorized to issue.

Jefferson County Constitutional Elected Officials--Jefferson County elected officials excluded from the reporting entity include:

- Sheriff of Jefferson County
- Circuit Court Clerk, 30th Judicial Circuit

The Kentucky constitution provides for election of the above officials from the geographic area constituting Jefferson County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, Fiscal Court, various cities and special districts within the County, and the Board of the Education. In exercising these responsibilities, however, the Sheriff and the Circuit Court Clerk are subjected by law to the oversight of the state's judicial courts, which supervise their activities.

Note B – Basis of Presentation

Government–wide Financial Statements - The government-wide financial statements, the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. However, Fiscal Court has no business type activities. Likewise the primary government is reported separately from legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Fiscal Court segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate statements are presented for governmental and fiduciary activities. These statements present each major fund as a separate column on the fund financial statements and all non-major funds are aggregated and presented in a single column, if applicable.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Fiscal Court has presented the following major governmental funds:

- General Fund – This is the primary operating fund of the Fiscal Court. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- Capital Improvement Reserve Fund - The Capital Improvement Reserve Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure assets.

The other governmental funds are reported as nonmajor funds.

Additionally, Fiscal Court reports on the following fund type:

- Agency Funds - These funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. These funds include funds held by the Fiscal Court that are due to other individuals.

Note C --Summary of Significant Accounting Policies

The accompanying financial statements of the Fiscal Court are prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Fiscal Court's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements, including Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, which mandates the new reporting model implemented by Fiscal Court. Other related pronouncements, which have also been implemented to the extent applicable, include Statement No. 36, *Recipient Reporting for Certain Shared Non-exchange Revenues,* Statement No. 37, *Basic Financial Statements -- and Management's Discussion and Analysis-for State and Local Governments,* and Statement No. 38, *Certain Financial Statement Note Disclosures.* The following is a summary of the significant accounting policies.

1. Measurement Focus and Basis of Accounting

The government-wide financial statements, component unit financial statements and fund financials statements for fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus, all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable and expenses are recognized as incurred, regardless of the timing of related cash flows

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Fiscal Court considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, and property taxes. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Discretely Presented Component Unit is a Proprietary Fund and separates all activities into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activities not included in operating revenues and expenses. Non-operating revenues and expenses include capital and non-capital financing activities and investing activities.

Note C--Summary of Significant Accounting Policies--Continued

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, money must be expended for the specific purpose or project before any amounts will be paid to Fiscal Court; therefore, revenues are recognized based upon the expenditures recorded. In the other, money is virtually unrestricted as to purpose or expenditure and are nearly irrevocable (i.e., revocable only for failure to comply with prescribed compliance requirements).

Occupational license fees represent fees withheld by employers and fees based on business net profits. The Louisville and Jefferson County Revenue Commission, a component unit of the City of Louisville whose financial statements are not included herein, collects these fees for Fiscal Court. Fiscal Court records the fees when collected by the Revenue Commission.

Fiscal Court levies the property tax each September on the assessed value listed as of the prior January 1 for all real and certain personal property in the County. The Property Valuation Administrator is required by law to maintain total assessments at approximately 100% of fair market value and assesses taxable values periodically. The Property Valuation Administrator must provide an official assessment for each class of property each year. The State Local Finance Officer must certify to Fiscal Court the maximum permissible ad valorem tax rates on the basis of that assessment and Fiscal Court may levy the maximum permissible rate or a lower rate. However, if a tax rate is levied on real property which will produce more revenue than the maximum permissible rate, the excess levy is subject to a recall vote.

The taxable assessments for January 1, 2001, and 2000, were approximately $55.1 billion and $51.1billion, respectively.

The Sheriff of Jefferson County, Kentucky, an elected official who is not included in the Fiscal Court reporting entity, collects taxes for the state, county school district, and other special taxing districts, as well as for Fiscal Court. Taxes are generally due to be paid between November and May for the assessment of the preceding January. Tax payment dates and discounts are as follows: 2% discount if paid by December 1, in full by January 1, in full plus a penalty of 2% until February 1, in full, plus a 10% penalty after February 1. Property taxes not collected by May, the lien date, are turned over to the County Attorney for collection.

Current tax collections for the years ended June 30, 2002, and 2001, were 96.3% and 97.0% of the respective tax levies. The County Clerk in conjunction with license tag renewals collects motor vehicle taxes. Property taxes are recorded as revenue when collected by the Sheriff or County Clerk. Delinquent property taxes, to the extent of estimated future collections, are recorded as receivables since they are measurable. They have not been included in revenue because they are not available and are, therefore, recorded as deferred revenue.

2. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as various short-term investments with original maturities of three months or less.

3. Investments

Investments are recorded at fair value based on quoted market values in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools.*

Note C--Summary of Significant Accounting Policies--Continued

4. Interfund Receivables and Payables

Throughout the year transactions occur between individual funds for goods and services. The corresponding receivables and payables are classified as interfund receivables and interfund payables on the fund statements.

5. Land Held for Development

Land held for development is stated at cost. Land and related costs are capitalized as incurred and charged to operations as related parcels are sold or otherwise transferred.

6. Prepaid Expenditures

Prepaid expenditures, consisting of prepaid insurance and inventories, have been recorded as assets. These assets are offset by reserves in equal amounts, since they do not constitute available spendable resources. The costs of insurance and inventories have been recorded as expenditures at the time of consumption. Inventories are valued at cost on the first-in, first-out (FIFO) method.

7. Capital Assets

Capital assets, which include land and land improvement, property, equipment, furniture, fixtures and infrastructure assets, are reported in the government-wide financial statements. The Fiscal Court defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date of donation. Infrastructure assets consists of roads, right-of-way, bridges, curbs and gutters, streets and sidewalks, and lighting systems

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

8. Depreciation

Depreciation has been provided for all capital assets by using the straight-line method for depreciable assets over their estimated useful lives:

Vehicles – 4 – 8 years
Aircraft – 15 years
Equipment, furniture and fixtures – 5 – 12 years
Leasehold Improvements – 10 – 20 years
Buildings, structures and improvements – 25 – 40 years
Infrastructure – 10 – 40 years

Note C--Summary of Significant Accounting Policies--Continued

9. Compensated Absences

Fiscal Court permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Fiscal Court does not have a policy to pay any amounts when employees separate from service with the government, except for retirement. All vacation pay is accrued when incurred to the maximum payout level in the government-wide statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

10. Retirement Plan

Retirement costs are computed as a percentage of eligible employees' gross pay. Such costs include a portion of the past service costs, which is being amortized over a 30 year period.

11. Reserved Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

12. Long-term Debt

In the government-wide financial statements, long-term debt are reported as liabilities in the governmental activities. 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. Premium received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds, received are reported as debt service expenditures.

13. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Deferred Revenue

Governmental funds report deferred revenue in conjunction with receivables for deferred revenues that are not being considered available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

Note D--Deposits and Investments

Deposits

Fiscal Court maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the financial institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the financial institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the financial institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law.

Deposits are categorized into these three categories of credit risk:

(A) Insured or collateralized with securities held by Fiscal Court or by its agent in Fiscal Court's name.

(B) Collateralized with securities held by the pledging financial institution's trust department or agent in Fiscal Court's name.

(C) Uncollateralized.

At June 30, 2002, deposits were categorized as follows:

	Category			Bank	Carrying
	A	B	C	Balance	Amount
Primary Government	$ 323,802	$ 4,808,308	$ 0	5,132,110	$ 490,965
Riverport	200,000	1,229,244	6,104	1,435,348	1,025,580
Total Entity	$ 523,802	$ 6,037,552	$ 6,104	$ 6,567,458	$ 1,516,545

Note D--Deposits and Investments--Continued

Investments

The Kentucky Revised Statutes (KRS 66.480) and respective bond indentures allow Fiscal Court to invest in the following types of securities:

> Obligations of the United States and its agencies and instrumentalities, including repurchase agreements; obligations backed by the full faith and credit of the United States, United States government agency, or of any corporation of the United States government; certificates of deposit or any other interest bearing account issued by any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation; highly rated uncollateralized certificates of deposit, bankers acceptances, and commercial paper; bonds or certificates of indebtedness of the Commonwealth of Kentucky and its agencies and instrumentalities; highly rated securities issued by a state or local government, or any instrumentality or agency in the United States; and mutual funds which include the above eligible investments.

Investments are categorized into three categories of credit risk:

(A) Insured or registered, or securities held by Fiscal Court or its agent in Fiscal Court's name.

(B) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in Fiscal Court's name.

(C) Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in Fiscal Court's name.

Jefferson County Fiscal Court

June 30, 2002

Note D--Deposits and Investments--Continued

At June 30, 2002, investment balances for Fiscal Court and its discretely presented component unit are as follows:

Types of Investments	Category A	Category B	Category C	Fair Value
Primary Government:				
Investment in U.S. Agency Obligation	$ 8,865,814	$ 0	$ 0	$ 8,865,814
Investments not subject to categorization				
U.S. Agency Obligations -money-market mutual funds-SEC registered				30,477,413
Total investments, Primary Government	8,865,814			39,343,227
Riverport:				
Investment in U.S. Agency Obligation	3,512,294			3,512,294
Commercial Paper	731,155			731,155
Total investments, Riverport	4,243,449			4,243,449
Total investments	$ 13,109,263	$	$	$ 43,586,676

Note D--Deposits and Investments—Continued

A reconciliation of deposits and investments to amounts on the Statement of Net Assets:

	Primary Government	Riverport	Total
Carrying amount of deposits	$ 490,965	$ 1,025,580	$ 1,516,545
Carrying amount of investments	39,343,227	4,243,449	43,586,676
Petty cash	38,169	150	38,319
Total	$ 39,872,361	$ 5,269,179	$ 45,141,540

	Primary Government	Riverport	Total
Cash and cash equivalents	$ 28,020,830	$ 1,025,730	$ 29,046,560
Investments	8,865,514	4,243,449	13,108,963
Restricted:			
Cash and cash equivalents	2,986,017		2,986,017
Total	$ 39,872,361	$ 5,269,179	$ 45,141,540

Note E--Receivables

At June 30, 2002, receivables in the funds below consisted of the following:

	General	Special Revenue	Capital Projects	Debt Service	Total	Riverport
Receivable:						
Interest	$ 83,213	$ 14,054	$ 1,312	$ 1,720	$ 100,299	$ 0
Taxes	2,242,000				2,242,000	
Accounts	14,845,591	324,328	39,588		15,209,507	2,861
Loans	2,884,374				2,884,374	
Notes			137,400		137,400	
Gross receivables	$ 20,055,178	$ 338,382	$ 178,300	$ 1,720	$ 20,573,580	$ 2,861
Less allowance for uncollectibles	(112,000)				(112,000)	
Net total receivables	$ 19,943,178	$ 338,382	$ 178,300	$ 1,720	$ 20,461,580	$ 2,861

Note F--Land Held For Development

Land held for development at June 30, 2002, is summarized as follows:

	Capital Projects	Riverport
Land held for development	$ 538,669	$ 7,182,623

In the Capital Projects Fund, as part of the countywide effort to attract additional business to Jefferson County, the CEDC and the EDC enter into agreements with private employers to facilitate the acquisition of real estate needed for constructing new facilities. Under the agreements, the corporations purchase certain land and resell a portion of it to the employers. The corporations obtain deposits from the employers on future land sales and intend to sell the remaining parcels to other employers under similar arrangements.

Under the terms of an agreement with the City of Louisville, it is to receive one half of the proceeds of certain land sales. During the fiscal year, there were no land sales applicable to this agreement.

Note G--Risk Management

Fiscal Court is exposed to various risks of loss relating to theft of, damage to, and destruction of automobiles, and injuries to employees. In 1974, Fiscal Court established a Risk Management Program. Under the Risk Management Program, the General Fund provides coverage for automobile liability claims and worker's compensation claims.

Automobile liability exposure is self-insured. Fiscal Court accounts for all automobile liability claim settlements and judgments in the General Fund. Workers' compensation claims are self-insured up to $400,000 per occurrence on all employees. All costs associated with this coverage are accounted for in the General Fund.

In addition to the self-insurance programs mentioned above, Fiscal Court purchases various types of primary insurance coverage, including boiler and machinery coverage, medical professional liability coverage, aircraft (police helicopters), marine coverage (police boats), property coverage, and crime coverage (employee dishonesty and faithful performance coverage). There were no settlements in excess of insurance coverage in the current year or any of the past three fiscal years.

Claims expenditures and liabilities are recognized when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All self-insurance claims recognized, which are expected to be paid from current available resources, are recorded in the General Fund on the fund financial statements. All other self-insurance claims recognized are recorded in the government-wide statement of net assets.

Note G--Risk Management - Continued

Changes in the estimated liability for claims are summarized as follows:

	Self-Insured Claims			
	Automobile	Workers' Compensation Insurance	Claims and Other Judgments	Total
Liability at July 1, 2001	$ 575,525	$ 1,654,628	$ 1,500,000	$ 3,730,153
Claims and changes in estimate	170,000	1,360,000	784,258	2,314,258
Claims payments	(84,304)	(1,225,082)	(784,258)	(2,093,644)
Liability at June 30, 2002	$ 661,221	$ 1,789,546	$ 1,500,000	$ 3,950,767

The following is a schedule of the changes in estimated liability:

Liability Balance, July 1, 2000	$ 5,628,155
Claims and changes in estimate	(701,450)
Claims payments	(1,196,552)
Liability Balance, June 30, 2001	$ 3,730,153
Claims and changes in estimate	2,314,258
Claims payments	(2,093,644)
Liability Balance, June 30, 2002	$ 3,950,767

Note H--Long-term Debt

General Obligation Bonds

Fiscal Court issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. No general obligation bonds were issued during the year. General obligation bonds are direct obligations and pledge the full faith and credit of Fiscal Court.

The $28,650,000 General Obligation Bonds, Series 1998A, were issued to refund the $28,300,000 Airport Lease Revenue Bonds, Multi-Modal Series 1989B, which were reflected as a capital lease obligation in Fiscal Court's General Long-Term Debt Account Group. Issued in December 1998, these general obligation bonds bear interest at rates ranging from 4.00% to 4.90% and mature in varying amounts through December 2018. Interest is paid semi-annually on December 1, and June 1. The bonds are subject to early redemption provisions at a premium.

The $8,800,000 General Obligation Improvement Bonds, Series 1999A, were issued to provide additional funding to complete the expansion of the corrections facility begun in 1996. Issued in November 1999, these bonds bear interest at rates ranging from 4.50% to 6.00% and mature in varying amounts through April 2020. Interest is paid semi-annually on October 1 and April 1. Principal is paid each April 1.

The $6,790,000 General Obligation Improvement Bonds, Series 1999B, were issued to provide funding for a new information system for the expanded corrections facility as well as construction of a government community center for the local Berrytown community. Issued in November 1999, these bonds bear interest at rates ranging from 4.50% to 6.00% and mature in varying amounts through April 2020. Interest is paid semi-annually on October 1 and April 1. Principal is paid each April 1.

The Series 1999A and Series 1999B bonds maturing on and after April 1, 2010, are subject to redemption by the County, at its option, prior to maturity on April 1, 2009, and on any date thereafter in whole or in part at the redemption price of par plus accrued interest to the redemption date.

The $15,265,000 General Obligation Refunding Bonds, Series 1999C, were issued at a premium to refund the County's obligations pursuant to Lease Agreements dated October 15, 1986 and August 15, 1989 with the Louisville and Jefferson County Riverport Authority regarding the Riverport Authority's Mortgage Revenue Bonds, Series 1986 and 1989A. Issued in November 1999, these bonds are subject to the Alternative Minimum Tax (AMT) and bear interest at rates ranging from 5.375% to 6.15% and mature in varying amounts through May 2016. Interest is paid semi-annually on November 15 and May 15. Principal is paid each May 15.

The Series 1999C bonds maturing on and after May 15, 2010, are subject to redemption by the County, at its option, prior to maturity on May 15, 2009, and on any date thereafter in whole or in part at the redemption price of par plus accrued interest to the redemption date.

The $2,595,000 General Obligation Refunding Bonds, Series 2000A, were issued to advance refund the County's obligations pursuant to a Lease Agreement dated October 15, 1986 and August 15, 1989 with the Louisville and Jefferson County Riverport Authority regarding the Authority's Mortgage Revenue Bonds, Series 1989B. Issued in February 2000, this term bond (retired serially through mandatory sinking fund provisions) bears an interest rate of 7.70% and matures in May 2016. Interest is paid semi-annually on November 15 and May 15. Principal is paid each May 15.

Note H--Long-Term Debt—Continued

The $50,095,767 General Obligation Refunding Bonds, Series 2000B, were issued to refund on a current basis the County's obligations pursuant to a contract, lease and option with the Jefferson County, Kentucky, Capital Projects Corporation dated February 1, 1987, as amended by the first supplement thereto dated March 1, 1987 regarding the Capital Projects Corporation's Lease Revenue Refunding Bonds, Series 1987A and its Lease Revenue Bonds, Series 1987B. Issued in February 2000, these capital appreciation bonds (CABs) bear interest at rates ranging from 4.90% to 6.00% and mature serially through August 15, 2014.

The $36,900,000 General Obligation Refunding Bonds, Series 2001A, were issued to refund at a premium the County's obligations pursuant to a contract, lease and option with the Jefferson County, Kentucky, Capital Projects Corporation dated February 1, 1987, as amended by a second supplement thereto dated June 1, 1989, with respect to the Corporation's Lease Revenue Bonds, Series 1989A. Issued in January 2001, these current interest bonds bear interest at rates ranging from 5.00% to 5.50% and mature in varying amounts through August 2011. Interest is paid semi-annually on August 15 and February 15. Principal is paid each August 15. The refunding provided for cumulative savings of $6,273,118 over the life of the bonds resulting in net present value savings of $4,342,318 (11.77% of refunded principal).

The $2,885,000 General Obligation Improvement Bonds, Series 2001B, were issued to reimburse the County for costs incurred in installing energy conservation equipment in the Hall of Justice. Issued in January 2001, these current interest bonds bear interest at rates ranging from 5.00% to 5.50% and mature in varying amounts through August 2010. Interest is paid semi-annually on August 15 and February 15. Principal is paid each August 15.

General obligation bonds currently outstanding are as follows:

Series	Type	Due to be Redeemed or Repaid During Year Ended June 30	Interest Rate	Outstanding Balance *
General Obligation Bonds:				
1998A	Serial Bonds	2003-2019	4.00-4.90%	$ 25,650,000
1999A	Serial & Term Bonds	2003-2020	4.50-6.00%	8,255,000
1999B	Serial & Term Bonds	2003-2020	4.50-6.00%	5,900,000
1999C	Serial & Term Bonds (AMT)	2003-2016	5.375-6.15%	13,585,000
2000A	Term & Coupon Bonds	2003-2016	7.70%	2,310,000
2000B	Capital Appreciation Bonds	2003-2015	4.90-6.00%	51,272,232
2001A	Current Interest Bonds	2003-2012	5.00-5.50%	33,975,000
2001B	Current Interest Bonds	2003-2011	5.00-5.50%	2,670,000
Total General Obligation Bonds				$ 143,617,232

* Includes accreted interest

Note H--Long-Term Debt—Continued

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending June 30	Principal	Interest	Total
2003	$ 10,249,235	$ 5,265,562	$ 15,514,797
2004	10,285,193	5,276,463	15,561,656
2005	10,505,852	5,238,056	15,743,908
2006	10,425,519	5,179,304	15,604,823
2007	10,419,260	5,106,069	15,525,329
2008-2012	53,807,815	22,999,793	76,807,608
2013-2017	25,152,787	13,114,671	38,267,458
2018-2022	6,605,000	508,941	7,113,941
Totals	$ 137,450,661	$ 62,688,859	$ 200,139,520

Lease Revenue Bonds

The lease revenue bonds were issued by various financing corporations and are collateralized by the pledge of rental revenues pursuant to annually renewable lease agreements with Fiscal Court and mortgages on projects financed with proceeds for these and prior bond issues. Additionally, the Series 1997 bonds are collateralized by rental payments from the Administrative Office of the Courts, Commonwealth of Kentucky.

The Jefferson County, Kentucky, Capital Projects Corporation's Lease Revenue Refunding Bonds, Series 1992A, were issued to refund the Corporation's Floating/Fixed Rate Lease Revenue Bonds, Series 1988, and Lease Revenue Bonds, Series 1989B. The Series 1992A bonds bear interest at rates ranging from 5.50% to 7.00% and mature in varying amounts through August 2017.

The Series 1995 Current Interest Bonds, dated April 1, 1995, bear interest at rates ranging from 4.90% to 5.50% and mature in varying amounts through April 2015. Interest is payable semi-annually on April 1, and October 1. The bonds are subject to early redemption provisions at a premium.

The Series 1996A Current Interest Bonds bear interest at rates ranging from 5.50% to 5.60% and mature in varying amounts through April 2016. Interest is payable semiannually on April 1, and October 1. The bonds are subject to early redemption provisions at a premium. Payment of the principal and interest on the bonds is insured by a municipal bond insurance policy issued by AMBAC Indemnity Corporation.

The Series 1997 Current Interest Bonds bear interest at rates ranging from 5.20% to 5.50% and mature in varying amounts through June 2028. Interest is payable semiannually on June 1 and December 1. The bonds are subject to early redemption provisions at a premium. Payment of the principal and interest on the bonds is insured by a municipal bond insurance policy issued by MBIA Insurance Corporation.

Note H--Long-Term Debt—Continued

Lease Revenue bonds outstanding at year-end are as follows:

Series	Type	Due to be Redeemed or Repaid During Year Ended June 30	Interest Rate	Outstanding Balance *
Lease Revenue Bonds:				
1992A	Current Interest Bonds	2003-2008	5.50%-6.10%	$ 20,915,000
1992A	Municipal Multiplier Term Bonds	2008-2018	6.75%-7.00%	31,814,095
1995	Current Interest Bonds	2003-2015	4.90%-5.50%	3,910,000
1996A	Current Interest Bonds	2003-2016	5.50%-5.60%	21,010,000
1997	Current Interest Bonds	2003-2028	5.20%-5.50%	61,885,000
Total Lease Revenue Bonds				$ 139,534,095

* Includes accreted interest

Annual debt service requirements to maturity for lease revenue bonds are as follows:

Year ending June 30	Principal	Interest	Total
2003	$ 4,915,000	$ 5,848,459	$ 10,763,459
2004	5,135,000	5,578,375	10,713,375
2005	6,685,000	5,254,800	11,939,800
2006	6,995,000	4,873,809	11,868,809
2007	7,445,000	4,466,134	11,911,134
2008-2012	27,288,850	32,264,683	59,553,533
2013-2017	28,356,520	41,885,949	70,242,469
2018-2022	15,258,714	14,289,768	29,548,482
2023-2027	18,155,000	4,271,025	22,426,025
2028	4,250,000	233,750	4,483,750
Totals	$ 124,484,084	$ 118,966,752	$ 243,450,836

Note H--Long-Term Debt—Continued

Notes Payable

Voting machines were purchased utilizing a long-term financing agreement with the credit subsidiary of the manufacturer. The agreement requires annual payments of principal and interest of $233,412. The final payment is due October 1, 2007. The interest rate is 5.05%.

Energy management equipment was purchased with bank note proceeds. The note requires annual payments of principal and interest of $350,244. The final payment is due June 1, 2003. The interest rate on the note is 5.23%. The note is renewable annually based on Fiscal Court appropriations.

Fiscal Court issued a note for the purchase of the Union Trust Building. Annual principal payments of $37,500 plus interest are payable through June 2007. This note is renewable annually based on Fiscal Court appropriations. The loan is collateralized by a first mortgage on the Union Trust Building and the improvements thereon. The interest rate on the note is 88% of the prime rate (4.75% at June 30, 2002).

The related assets generally collateralize the above notes payable. Notes payable outstanding at year end are as follows:

Series	Due to be Redeemed or Repaid During Year Ended June 30	Interest Rate	Outstanding Balance
Notes Payable:			
IBM Credit Corporation	2003-2008	5.05%	$ 1,069,015
Bank One	2003	5.23%	326,187
Union Trust Building	2003-2007	88% of Prime	187,500
Total Notes Payable			$ 1,582,702

Note H-- Long-Term Debt—Continued

Annual debt service requirements to maturity for notes payable are as follows:

Year ending June 30	Principal	Interest	Total
2003	$ 546,066	$ 82,926	$ 628,992
2004	229,349	47,829	277,178
2005	239,312	36,299	275,611
2006	249,792	24,252	274,044
2007	260,817	11,660	272,477
2008-2012	57,366	734	58,100
Totals	$ 1,582,702	$ 203,700	$ 1,786,402

Compensated Absences

Jefferson County Policy 5.3(10) states that upon separation an employee, except for an employee who has not successfully completed an original probation period, shall receive pay for the unused balance of their accrued vacation leave up to, but not exceeding 30 days. Vacation pay may be accumulated up to 40 days. Sworn police officers may receive up to 40 days of earned vacation upon retirement. At June 30, 2002, accrued vacation pay is $7,908,279.

Accrued sick leave has no maximum accumulation. Accumulated sick leave is not payable upon termination of employment. However, qualified participants in the County Employee's Retirement System (CERS), under certain circumstances, are eligible to convert a portion of accrued sick pay benefits into additional credit for years of service. A liability related to this conversion feature has not been recorded in the basic financial statements in accordance with Government Accounting Standard, Board Statement #16.

Note H-- Long-Term Debt--Continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2002, was as follows:

	Beginning Balance	Additions	Accreted Interest	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES:						
Bonds Payable:						
General obligation	$ 151,881,728	$ 0	$ 2,365,610	$ (10,630,106)	$ 143,617,232	$ 10,249,235
Lease revenue	140,924,222		2,089,873	(3,480,000)	139,534,095	4,915,000
Total bonds payable	292,805,950		4,455,483	(14,110,106)	283,151,327	15,164,235
Other liabilities:						
Compensated absences	6,482,132	1,426,147			7,908,279	
Self-insurance claims	2,230,153	1,530,000		(1,309,386)	2,450,767	
Capital lease obligations	783,003			(49,787)	733,216	52,946
Note obligations	2,188,232			(605,530)	1,582,702	546,066
Claims and judgments	1,500,000	784,258		(784,258)	1,500,000	
Total other liabilities	13,183,520	3,740,405		(2,748,961)	14,174,964	599,012
Governmental activities long-term liabilities	$ 305,989,470	$ 3,740,405	$ 4,455,483	$ (16,859,067)	$ 297,326,291	$ 15,763,247

As party to various lease agreements, Fiscal Court intends to meet the debt service requirements for the long-term debt issued by its agencies. The leases are limited by law to terms of one year, although Fiscal Court has stated its intent (but is not obligated) to renew the leases until the bonds are repaid.

Principal and interest payments are from General Fund revenues.

There are a number of limitations and restrictions contained in the various bond indentures. The management of Fiscal Court believes it is in compliance with all significant financial limitations and restrictions.

Note H-- Long-Term Debt--Continued

In prior years, Fiscal Court defeased certain first mortgage bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. The following debt is considered extinguished (through an in-substance defeasance) for financial reporting purposes. Therefore, neither the remaining debt nor the assets placed in the trust accounts are reflected on the statement of net assets. The balances of the Jefferson County, Kentucky, Capital Projects Corporation First Mortgage Bonds are as follows:

Series	Debt Remaining as of June 30, 2002
1977	$ 1,675,000
1978	10,145,000
1980	1,520,000
Total Defeasance Debt	$ 13,340,000

Note I--Capital Lease Obligations

Radio Equipment

Fiscal Court has financed the purchase of radio equipment for its public works department through a capital lease obligation of $944,652. The obligation requires quarterly payments of principal and interest of $24,297 through September 2012. The interest rate of the obligation is 6.20%.

Annual debt service requirements to maturity for capital leases are as follows:

Year ending June 30	Principal	Interest	Total
2003	$ 52,946	$ 44,244	$ 97,190
2004	56,305	40,885	97,190
2005	59,879	37,313	97,192
2006	63,678	33,513	97,191
2007	67,718	29,471	97,189
2008-2012	408,764	77,181	485,945
2013-2017	23,926	371	24,297
Totals	$ 733,216	$ 262,978	$ 996,194

Jefferson County Fiscal Court

June 30, 2002

Note J--Interfund Transfers

Interfund transfers at June 30, 2002 are as follows:

	Transfers in:		
	Capital Improvement Reserve Fund	Nonmajor Governmental funds	Total
Transfers Out:			
General Fund	$ 28,770,114	$	$ 28,770,114
Capital Improvement Reserve Fund		21,177,934	21,177,934
Nonmajor Governmental Funds		23	23
Total transfers out	$ 28,770,114	$ 21,177,957	$ 49,948,071

Note K--Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2002 are as follows:

Individual Fund	Interfund Receivable	Interfund Payable
General	$	$ 13,648,300
Capital Projects:		
Capital Improvement Reserve	13,610,811	
Economic Development Corporation	37,489	
Total	$ 13,648,300	$ 13,648,300

Jefferson County Fiscal Court

June 30, 2002

Note L--Pension Plans

Fiscal Court contributes to the County Employees' Retirement System (CERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement Systems of the Commonwealth of Kentucky. The CERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Kentucky Retirement Systems issues a publicly available financial report that includes supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601-6124 or by calling (502) 564-4646.

The CERS requires plan member contributions of 8.0% of their annual covered salary for sworn police and correction officers, paramedics and emergency medical technicians, and 5.0% of annual covered salary for all others. Fiscal Court is required to contribute at an actuarially determined rate. As of June 30, 2002, the rate was 16.28% of annual covered payroll for sworn police and corrections officers, paramedics and emergency medical technicians, and 6.41% for all others. The current rates, as of July 1, 2002 are 16.28% and 6.34% respectively. The contribution requirements of plan members and Fiscal Court are established and may be amended by the Kentucky Retirement Systems' Board of Trustees. Fiscal Court's contributions to CERS for the years ending June 30, 2002, 2001, and 2000 were $10,463,599, $10,524,992 and $10,019,506, respectively, equal to the required contributions for each year.

Note M--Discretely Presented Component Unit – The Louisville and Jefferson County Riverport Authority

General

The Louisville and Jefferson County Riverport Authority (Riverport) was created by the joint action of the City of Louisville and Fiscal Court under Chapter 65 of the Kentucky Revised Statutes, to establish a riverport industrial complex. Activity has consisted of acquiring land, developing and marketing a portion of the land for industrial sites, establishing a foreign trade zone, constructing a riverport complex with rail and truck-served dock facilities, and engaging and overseeing a contract operator of the complex.

Capital Assets

Capital asset activity for the year ended June 30, 2002 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and improvements	$ 8,412,902	$ 0	$ (77,099)	$ 8,335,803
Capital assets being depreciated:				
Buildings and facilities	28,771,296	22,800		28,794,096
Other capital assets	163,286	30,512	(21,053)	172,745
Total capital assets being depreciated:	28,934,582	53,312	(21,053)	28,966,841
Less accumulated depreciation for:				
Buildings and facilities	(9,887,347)	(891,919)		(10,779,266)
Other capital assets	(88,052)	(20,710)	15,088	(93,674)
Total accumulated depreciation	(9,975,399)	(912,629)	15,088	(10,872,940)
Total capital assets being depreciated, net	18,959,183	(859,317)	(5,965)	18,093,901
Component Unit capital assets, net	$ 27,372,085	$ (859,317)	$ (83,064)	$ 26,429,704

Long-Term Debt

The Authority has a loan payable to the Kentucky Economic Development Cabinet in connection with the construction of a bulk commodity terminal facility. The loan is payable annually through 2007 and bears interest at a rate of 5.5% per annum. The loan payments will be waived if the Authority's gross proceeds do not cover port operator expenses and debt service in a given year. For the fiscal year ended June 30, 2002, all required loan payments, including interest, were waived.

Note M--Discretely Presented Component Unit – The Louisville and Jefferson County Riverport Authority-Continued

Annual debt service requirements to maturity as of June 20, 2002 are as follows:

Year ending June 30	Principal	Interest	Total
2003	$ 25,453	$ 7,813	$ 33,266
2004	26,853	6,413	33,266
2005	28,330	4,936	33,266
2006	29,888	3,378	33,266
2007	31,530	1,734	33,264
Total	$ 142,054	$ 24,274	$ 166,328

Changes in long-term debt were as follows:

Balance July 1, 2001	Additions	Debt Payments and Reductions	Balance June 30, 2002	Amount Due Within One Year
$ 166,180	$ 0	$ 24,126	$ 142,054	$ 25,453

During the fiscal year ended June 30, 2000, Fiscal Court issued General Obligation Refunding Bonds, Series 1999C and Series 2000A, which were used to retire Mortgage Revenue Bonds of the Authority. The General Obligation Refunding Bonds were recorded as a liability of Fiscal Court. The retirement of the above Mortgage Revenue Bonds was accounted for as a capital contribution by Fiscal Court to the Authority. In connection with this transaction, the Authority has an unwritten agreement to make annual payments to Fiscal Court in an amount sufficient to pay a portion of the General Obligation Refunding Bonds, through 2016. In any given year, such payments will be limited to the Authority's revenues from certain sources, less expenses. During the Fiscal Year ended June 30, 2002, the Authority returned $400,000 of contributed capital to Fiscal Court in connection with this agreement.

Jefferson County Fiscal Court

June 30, 2002

Note N--Capital Assets

Capital asset activity for the year ended June 30, 2002 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 242,560,233	$ 1,555,954	$ (50,000)	$ 244,066,187
Construction in progress	997,500	2,440,745		3,438,245
Works of art	250,000			250,000
Total capital assets not being depreciated	243,807,733	3,996,699	(50,000)	247,754,432
Other capital assets:				
Land improvements	3,455,251			3,455,251
Buildings	203,704,924	1,188,850		204,893,774
Machinery and equipment	27,999,525	298,243	(70,188)	28,227,580
Vehicles	25,860,829	4,551,461	(1,816,288)	28,596,002
Works of art	1,392,000	65,000		1,457,000
Infrastructure	748,914,536	3,154,245		752,068,781
Total other capital assets	1,011,327,065	9,257,799	(1,886,476)	1,018,698,388
Less accumulated depreciation for:				
Land improvements	(700,756)	(172,763)		(873,519)
Buildings	(51,015,008)	(4,144,766)		(55,159,774)
Machinery and equipment	(12,065,744)	(3,897,961)	70,188	(15,893,517)
Vehicles	(16,054,889)	(3,290,071)	1,662,754	(17,682,206)
Works of art	(248,290)	(57,413)		(305,703)
Infrastructure	(253,071,291)	(32,148,134)		(285,219,425)
Total accumulated depreciation	(333,155,978)	(43,711,108)	1,732,942	(375,134,144)
Other capital assets, net	678,171,087	(34,453,309)	(153,534)	643,564,244
Government activities capital assets, net (as restated)	$ 921,978,820	$ (30,456,610)	$ (203,534)	$ 891,318,676

Note N--Capital Assets-Continued

Depreciation expense was charged to governmental activities as follows:		
General Government	$	285,233
Public Safety Operations		6,143,185
Health and Human Services		463,052
Public Works, Facilities Management, and Planning & Permits		36,060,092
Joint and External Agencies		759,546
Total Depreciation Expense	$	43,711,108

Note O--Conduit Debt Obligations

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

As of June 30, 2002 there were approximately 397 issues of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the bonds at June 30, 2002 could not be determined, however, the aggregate original amounts totaled approximately $3.89 billion.

Note P--Commitments and Contingencies

Fiscal Court, along with the City of Louisville and the Commonwealth of Kentucky, entered into an agreement with the University of Louisville Hospital to provide indigent care. The agreement, which established an entity to be known as "Quality and Charity Care Trust, Inc.", requires Fiscal Court to pay annual payments to the Trust. The amount to be paid by June 30, 2003 is $4,114,900. The agreement states that future payments should increase by an amount equal to the lesser of the prior fiscal year's percentage increase in the Consumer Price Index, or the prior fiscal year's percentage increase in Fiscal Court's General Fund tax revenues from all sources multiplied by Fiscal Court's prior years funding as required under the agreement.

Fiscal Court has been named defendant in various common law tort actions or actions filed under federal laws. In the opinion of the County Attorney, Fiscal Court may be held liable for some of these claims. For those claims where it is probable that a liability has been incurred at June 30, 2002 and the amount can be reasonably estimated, the liability has been recorded in the General Fund for claims expected to be paid from current available resources. Estimated claims that are expected to be paid from other than current available resources are recorded in the government-wide statements.

In addition, Fiscal Court is involved in certain other legal proceedings, which, if decided adversely may require the Fiscal Court to make material future expenditures. Individually these possible expenditures range from $4,000 to $300,000 and total $1,233,000.

Fiscal Court receives grants from various federal and state government agencies. Such funds are to be used for designated purposes only. If a grantor determines that funds have not been used for the intended purpose or in compliance with applicable rules and regulations, the grantor may request a refund of funds advanced and/or refuse to reimburse Fiscal Court for future expenditures. The amount of such future refunds and/or unreimbursed expenditures, if any, could be material. However, such amounts, if any, cannot be estimated. Accordingly, no liability has been recorded.

Fiscal Court has entered into contracts for the construction of a community center and renovation of the Hall of Justice. As of June 30, 2002, these uncompleted contracts totaled approximately $1.24 million. Payment of these contracts will be provided by the proceeds of the 1999B bond issues.

In 1997, Fiscal Court issued $18,500,000 in bonds, which was used to pay for a portion of the cost of constructing the University of Louisville Papa John's Cardinal Stadium. The University of Louisville Athletic Association (ULAA) has agreed to pay all principal, interest and premiums on the bonds and to maintain and insure the project so long as any bonds remain outstanding. However, pursuant to the terms of a lease and sublease agreement, in the event that the ULAA does not make the debt service payments, Fiscal Court and the City of Louisville have each agreed to pay for one-half of all principal, interest, and premiums on the bonds, subject to a maximum aggregate financial obligation of Fiscal Court and the City in any fiscal year of $2,000,000.

Jefferson County Fiscal Court

June 30, 2002

Note Q--Merger of Jefferson County and the City of Louisville

On November 7, 2000, the citizens of Jefferson County and the City of Louisville voted to merge their representative governments. The governmental and corporate entities of the Jefferson County Fiscal Court and the City of Louisville willl be consolidated effective January 2003. The name of the new entity will be Louisville/Jefferson County Metro Government. The legislative authority of the new consolidated local government is vested in a consolidated local governmental council consisting of 26 council districts with each district having elected their own council member. Collectively the voters from all 26 districts elected a mayor for the new government. The mayor has the authority that the former mayor of the City of Louisville and the former County Judge/Executive of Jefferson County previously had.

Note R--Concentrations of Credit Risk

Financial instruments which potentially subject Fiscal Court to concentrations of credit risk consist principally of temporary cash investments, tax receivable and receivables from the federal and state governments.

The Fiscal Court places its temporary cash investments with high credit quality financial institutions, and by policy, limits the amount of credit exposure to any one financial institution. Concentration of credit risk with respect to the receivables from the federal and state governments is limited due to the historical stability of those institutions.

Although the Fiscal Court has taxes receivable from a variety of constituents, a substantial portion of the debtors' ability to honor this debt is dependent upon the widely diverse economic environment of the state and local area. However, property taxes attach as an enforceable lien on real property as of the date the taxes become delinquent.

Note S--Changes in Accounting Principles and Changes in Prior Year Fund Equity

Changes in Accounting Principles

For fiscal year 2002, Fiscal Court has implemented GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis - for State and Local Governments".

GASB 34 creates new basic financial statements for reporting Fiscal Court's financial activities. The financial statements now include government-wide financial statements, which are prepared on the accrual basis of accounting, and fund financial statements, which are prepared on a modified accrual basis of accounting.

The beginning net asset amount for Fiscal Court reflects the changes in fund balance for governmental funds at June 30, 2001 caused by the conversion to the accrual basis of accounting and prior period adjustments.

Changes in Prior Year Fund Equity

The transition from governmental fund balance to net assets of Fiscal Court activities is presented. The net effect on the beginning net assets in the government-wide financial statements caused by implementation of GASB 34 was an increase of $603,464,281. Also, beginning net assets increased to reflect capital assets previously omitted in error. The net effect on the beginning net assets caused by the prior period adjustment was an increase of $13,755,222.

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2002

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	$ 56,643,600	$ 59,252,000	$ 59,329,125	$ 77,125
Occupational taxes	87,787,800	84,985,700	83,893,114	(1,092,586)
Licenses and permits	17,789,300	19,030,400	18,953,208	(77,192)
Intergovernmental	36,710,600	38,063,600	42,803,455	4,739,855
Charges for services	26,146,100	27,034,000	20,623,768	(6,410,232)
Investment income	1,817,200	1,000,000	767,643	(232,357)
Land sales		1,423,405	1,423,405	
Miscellaneous	1,229,700	2,070,195	2,018,983	(51,212)
Total revenues	228,124,300	232,859,300	229,812,701	(3,046,599)
EXPENDITURES				
Current operating:				
General Government	18,830,000	19,646,736	19,245,400	401,336
Public Safety Operations	87,514,100	89,183,487	88,359,311	824,176
Health and Human Services	40,890,600	41,899,203	38,620,529	3,278,674
Public Works, Facilities Management, and Planning & Permits	25,702,300	27,098,363	25,753,285	1,345,078
Joint and External Agencies	26,350,500	27,551,089	27,268,736	282,353
Insurance and Reserves	2,100,000	1,188,090	3,213,088	(2,024,998)
Debt Service:				
Principal		346,335	346,335	
Interest		101,099	101,099	
Total expenditures	201,387,500	207,014,402	202,907,783	4,106,619
Excess (deficiency) of revenues over expenditures	26,736,800	25,844,898	26,904,918	1,060,020
OTHER FINANCING SOURCES (USES)				
Transfers out	(26,736,800)	(25,844,898)	(28,770,114)	(2,925,216)
Total other financing sources and uses	(26,736,800)	(25,844,898)	(28,770,114)	(2,925,216)
Net change in fund balance	$ 0	$ 0	(1,865,196)	$ (1,865,196)
Fund balances–beginning			23,863,295	
Fund balances–ending			$ 21,998,099	

Budgetary Accounting and Control

Budgets are adopted on a basis consistent with GAAP. An annual appropriated budget is adopted for the General Fund. This appropriated budget includes all transfers to the Capital Improvement Reserve Fund (a capital projects fund) which are designated for subsequent years' capital expenditures or for transfer to other Capital Projects Funds or Debt Service Funds. Formal budgets are not adopted for Debt Service Funds because bond indentures and other relevant contractual provisions require specific payments to and from these funds annually, and transfers are budgeted in the General Fund to comply with these requirements. All annual appropriations from the General Fund lapse at year end, except for unexpended grant and encumbered appropriations. Project-length financial plans are adopted for all Capital Projects.

On or before April 30 of each year, state statutes require the County Judge/Executive to propose an Executive Budget incorporating an estimate of revenues and recommended appropriations from the General Fund. The State Local Finance Officer, a statutory official of the Commonwealth of Kentucky, has full legal power and authority to supervise the form and classification of Fiscal Court's appropriated budget. The budget is prepared and legally controlled at the department level.

On or before June 30 of each year, Fiscal Court may hold hearings and discuss and amend the Executive Budget, and by state statute must adopt the Executive Budget. An affirmative vote of a majority of Fiscal Court is required to change proposed appropriations or to revise revenue estimates contained in the Executive Budget. An affirmative vote of the majority of Fiscal Court is also required to amend the budget once it has been approved.

Original appropriations	$ 201,387,500
Revisions	5,626,902
Total Revised Appropriations	$ 207,014,402

A portion of the budget revisions relates to the recognition of $2.1million in accounts receivable from the University of Louisville paid on July 1, 2002. Although the GAAP basis of accounting requires the recognition of this revenue in the year ended June 30, 2002, the Fiscal Court voted in June 2002 to recognize the revenue in the fiscal year 2003 budget as opposed to the fiscal year 2002 budget.

JEFFERSON COUNTY FISCAL COURT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2002

	Special Revenue Fund	Capital Projects Funds		Debt Service Funds		
	E-911	Economic Development Corporation	Community Economic Development Corporation	Capital Projects Corporation	General Obligation	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,226,026	$ 235,551	$ 1,292,259	$ 2,983,395	$ 2,622	$ 7,739,853
Investments	4,026,280	274,859				4,301,139
Receivables:						
Accrued interest	14,054	304	1,008	1,720		17,086
Accounts receivable	324,328	39,588				363,916
Notes receivable		137,400				137,400
Interfund Receivable		37,489				37,489
Land held for development		527,888	10,781			538,669
Total assets	$ 7,590,688	$ 1,253,079	$ 1,304,048	$ 2,985,115	$ 2,622	$ 13,135,552
LIABILITIES						
Accounts payable	$ 133,982	$ 5,106	$	$	$	$ 139,088
Deferred revenue		33,753				33,753
Other liabilities		128,785				128,785
Total liabilities	133,982	167,644	0	0	0	301,626
FUND BALANCES						
Reserved for:						
Land held for development		399,102	10,781			409,883
Long term-loans receivable		137,400				137,400
Unreserved:						
Debt service				2,985,115	2,622	2,987,737
Special revenue funds	7,456,706					7,456,706
Capital projects funds		548,933	1,293,267			1,842,200
Total fund balances	7,456,706	1,085,435	1,304,048	2,985,115	2,622	12,833,926
Total liabilities and fund balances	$ 7,590,688	$ 1,253,079	$ 1,304,048	$ 2,985,115	$ 2,622	$ 13,135,552

JEFFERSON COUNTY FISCAL COURT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2002

	Special Revenue Fund	Capital Projects Funds		
	E-911	Economic Development Corporation	Community Economic Development Corporation	Capital Projects Corporation
REVENUES				
Intergovernmental	$	$	$	$
Charges for services	3,799,014			
Investment income	129,068	53,443	16,462	4,664
Land sales			579,020	
Total revenues	3,928,082	53,443	595,482	4,664
EXPENDITURES				
Current operating:				
Public Safety	1,091,803			
Miscellaneous		20,391	3,310	
Debt service:				
Principal				
Interest and other charges				
Capital outlay	19,943	111,742		518,384
Total expenditures	1,111,746	132,133	3,310	518,384
Excess (deficiency) of revenues over expenditures	2,816,336	(78,690)	592,172	(513,720)
OTHER FINANCING SOURCES (USES)				
Cost of land held/sold		(4,906)	(1,125,480)	
Transfers in				
Transfers out				(23)
Total other financing sources and uses	0	(4,906)	(1,125,480)	(23)
Net change in fund balance	2,816,336	(83,596)	(533,308)	(513,743)
Fund balances–beginning	4,640,370	1,169,031	1,837,356	513,743
Fund balances–ending	$ 7,456,706	$ 1,085,435	$ 1,304,048	$ 0

(Continued on following page)

JEFFERSON COUNTY FISCAL COURT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)

For the Year Ended June 30, 2002

	Debt Service Funds			
	Community Economic Development Corporation	Capital Projects Corporation	General Obligation	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$	4,396,000	$	$ 4,396,000
Charges for services				3,799,014
Investment income		163,733	95	367,465
Land sales				579,020
Total revenues	0	4,559,733	95	9,141,499
EXPENDITURES				
Current operating:				
Public Safety				1,091,803
Miscellaneous				23,701
Debt service:				
Principal	37,500	3,480,000	10,630,106	14,147,606
Interest and other charges	9,883	6,070,341	5,433,442	11,513,666
Capital outlay				650,069
Total expenditures	47,383	9,550,341	16,063,548	27,426,845
Excess (deficiency) of revenues over expenditures	(47,383)	(4,990,608)	(16,063,453)	(18,285,346)
OTHER FINANCING SOURCES (USES)				
Cost of land held/sold				(1,130,386)
Transfers in	47,383	5,067,775	16,062,799	21,177,957
Transfers out				(23)
Total other financing sources and uses	47,383	5,067,775	16,062,799	20,047,548
Net change in fund balance	0	77,167	(654)	1,762,202
Fund balances–beginning	0	2,907,948	3,276	11,071,724
Fund balances–ending	$ 0	$ 2,985,115	$ 2,622	$ 12,833,926

Table 1

JEFFERSON COUNTY FISCAL COURT

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety Operations	Health & Human Services	Public Works, Fac. Mgmt. and Plan. & Permits	Joint & External Agencies	Other	Long-Term Debt Service	Total Expenditures
1993	$ 16,928,566	$ 50,336,181	$ 12,695,251	$ 8,531,582	$ 13,503,125	$ 5,033,962	$ 4,688,678	$ 111,717,345
1994	22,622,919	60,205,909	23,930,728	13,755,064	13,660,971	4,364,428	4,090,178	142,630,197
1995	16,108,348	57,662,469	25,064,022	22,413,363	14,383,822	10,495,796	2,816,583	148,944,403
1996	17,021,954	59,007,906	26,502,000	23,729,547	15,781,302	9,517,418	6,583,157	158,143,284
1997	18,201,446	69,809,462	28,937,917	24,088,314	16,287,635	10,735,902	11,354,580	179,415,256
1998	14,981,909	76,815,680	30,656,242	25,319,433	13,668,060	13,430,261	17,384,687	192,256,272
1999	15,744,594	80,884,330	33,636,012	27,018,217	14,116,732	22,111,657	29,741,313	223,252,855
2000	16,624,912	83,184,194	37,661,848	23,641,276	14,185,319	11,761,207	18,031,154	205,089,910
2001	18,085,502	87,088,719	38,275,123	26,144,789	15,385,464	8,601,560	24,938,116 *	218,519,273 *
2002	19,245,400	89,471,057	38,620,529	25,753,285	17,140,611	13,341,213	26,108,706	229,680,801

Note: In Fiscal Year 1994 the County changed its practice of reporting certain monies it received from a reduction of expenditures to revenues amounting to $33,683,273.
In Fiscal Year 1995 and 2000 the County reorganized the functional reporting of certain departments and did not restate prior years.

Includes General, Special Revenue and Debt Service Funds.

* Restated to correct reporting error

Table 2

JEFFERSON COUNTY FISCAL COURT

GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

Year	Taxes	Licenses & Permits	Intergovernmental Revenue	Charges for Service	Investment Income	Miscellaneous Revenues	Total Revenues
1993	$ 38,539,142	$ 68,581,407	$ 9,712,617	$ 4,260,641	$ 1,006,818	$ 1,448,852	$ 123,549,477
1994	39,166,770	69,616,350	30,638,601	13,535,190	919,058	1,664,646	155,540,615
1995	41,815,515	74,847,345	29,628,042	16,599,230	1,686,244	2,225,652	166,802,028
1996	44,398,024	80,114,861	30,189,386	18,004,306	2,245,254	2,397,014	177,348,845
1997	47,902,779	87,100,043	32,956,101	19,131,362	2,306,857	1,889,873	191,287,015
1998	50,838,200	91,689,380	29,954,670	20,501,566	3,621,943	2,716,206	199,321,965
1999	52,211,162	97,495,357	34,516,120	22,795,284	2,723,755	4,402,152	214,143,830
2000	54,199,896	101,146,947	34,071,960	24,922,560	2,530,960	6,221,255	223,093,578
2001	54,358,301	103,930,110	31,774,038	27,435,313	2,345,784	5,844,223	225,687,769
2002	59,329,125	102,846,322	47,199,455	24,422,782	1,060,539	3,442,388	238,300,610

Note: In Fiscal Year 1994, the County changed its practice of reporting certain monies it received, from expenditure reductions to revenues amounting to $33,683,273.

Includes General, Special Revenue and Debt Service Funds.

Table 3

JEFFERSON COUNTY FISCAL COURT

GENERAL FUND TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

Fiscal Year	General Property Taxes	Bank Shares	Franchise	Agri-cultural Products	Whiskey	Insurance Company	Deed Tax	Delinquent & Omitted	Total Taxes
1993	$ 31,285,709	$ 1,768,343	$ 2,220,723	$ 20,274	$ 237,887	$ 628,304	$ 1,536,757	$ 841,145	$ 38,539,142
1994	31,830,003	1,742,083	1,825,328	23,873	250,693	614,817	1,831,487	1,048,486	39,166,770
1995	34,538,691	1,653,244	1,920,803	25,919	267,817	718,486	1,699,124	991,431	41,815,515
1996	36,415,223	1,810,075	2,481,742	21,267	251,942	335,349	2,095,002	987,424	44,398,024
1997	39,054,807	2,169,463	2,680,412	17,571	233,528	562,585	2,129,402	1,055,011	47,902,779
1998	40,681,540	2,427,300	3,688,808	156	224,399	108,408	2,456,649	1,250,940	50,838,200
1999	41,520,979	2,627,400	3,166,999	579	220,482	62,857	2,964,179	1,647,687	52,211,162
2000	43,655,901	2,653,018	2,443,663	1,291	208,046	65,803	2,871,986	2,300,188	54,199,896
2001	45,290,533	2,642,075	2,255,129	1,490	188,945	18,940	2,619,099	1,342,090	54,358,301
2002	49,152,467	2,733,446	2,972,797	2,152	168,549	14,659	2,917,607	1,367,448	59,329,125

Includes General and Debt Service Funds

Table 4

JEFFERSON COUNTY FISCAL COURT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(amount expressed in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Tax to Total Tax Levy
1993	$ 39,519	$ 38,072	96.3%	$ 694	$ 38,766	98.1%	$ 723	1.8%
1994	38,702	37,858	97.8%	767	38,625	99.8%	613	1.6%
1995	41,590	40,446	97.2%	745	41,191	99.0%	600	1.4%
1996	43,329	42,049	97.0%	713	42,762	98.7%	748	1.7%
1997	46,470	45,327	97.5%	742	46,069	99.1%	701	1.5%
1998	48,276	47,036	97.4%	767	47,803	99.0%	782	1.6%
1999	50,326	49,625	98.6%	1,288	50,913	101.1%	771	1.5%
2000	52,698	51,537	97.8%	2,300	53,837	102.2%	615	1.2%
2001	54,209	52,573	97.0%	1,342	53,915	99.5%	875	1.6%
2002	59,232	57,083	96.3%	1,367	58,450	98.7%	998	1.7%

Table 5

JEFFERSON COUNTY FISCAL COURT

REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

CENTS PER $100 OF ASSESSED VALUATION

LAST TEN FISCAL YEARS

	Jefferson County					
Fiscal Year	General Fund	Improvement District	Total	County School District	City of Louisville	Total
1993	14.5	0.4	14.9	52.0	43.05	109.95
1994	14.5	0.0	14.5	52.6	43.05	110.15
1995	14.3	0.0	14.3	55.6	41.59	111.49
1996	14.3	0.0	14.3	55.1	41.59	110.99
1997	14.1	0.0	14.1	53.6	40.76	108.46
1998	14.0	0.0	14.0	54.1	40.76	108.86
1999	13.7	0.0	13.7	54.1	40.45	108.25
2000	13.4	0.0	13.4	53.9	39.93	107.23
2001	12.9	0.0	12.9	53.2	39.41	105.51
2002	12.8	0.0	12.8	57.2	37.64	107.64

Table 6

JEFFERSON COUNTY FISCAL COURT
AND
COMMUNITY IMPROVEMENT DISTRICT

DISTRIBUTION OF TAX LEVY RATE

CENTS PER $100 OF ASSESSED VALUATION

Assessment Dates: January 1

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
* Real Estate										
General Fund	14.5	14.5	14.3	14.3	14.1	14.0	13.7	13.4	12.9	12.8
Community Improvement District	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Rate	14.9	14.5	14.3	14.3	14.1	14.0	13.7	13.4	12.9	12.8
* Tangible personal & distilled spirits										
General Fund	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6
Community Improvement District	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Rate	17.0	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6
General Fund:										
Bank Shares	19.0	19.0	19.0	19.0	0.0	0.0	0.0	0.0	0.0	0.0
Franchise Bank Deposit	0.0	0.0	0.0	0.0	0.025	0.025	0.025	0.025	0.025	0.025
Insurance Companies	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Agriculture										
Tobacco	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Other	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5

* Includes public service companies

Table 7

JEFFERSON COUNTY FISCAL COURT

TRANSIENT ROOM TAX COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Visitors and Convention Bureau	Kentucky Center for the Performing Arts	Total Collections
1993	$ 3,157,660	$ 1,052,547	$ 4,210,207
1994	3,226,222	1,075,409	4,301,631
1995	3,672,884	1,224,293	4,897,177
1996	3,873,733	1,291,250	5,164,983
1997	4,509,303	1,503,103	6,012,406
1998	4,441,297	1,480,430	5,921,727
1999	4,837,666	1,612,554	6,450,220
2000	5,124,367	1,708,122	6,832,489
2001	5,595,385	1,865,128	7,460,513
2002	5,083,164	1,694,388	6,777,552

Table 8

JEFFERSON COUNTY FISCAL COURT
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Total Assessed Value (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Total Net Bonded Debt per Capita
1993	673,350	$ 26,841,766,117	$ 165,376,770	0.6%	$ 246	$ 246
1994	676,115	27,292,233,703	172,475,776	0.6%	255	255
1995	678,891	29,449,187,365	179,742,761	0.6%	265	265
1996	681,679	30,613,513,733	211,396,634	0.7%	310	310
1997	684,478	41,070,728,491	210,543,345	0.5%	308	308
1998	687,289	43,358,607,535	270,232,371	0.6%	393	393
1999	690,111	46,632,015,837	268,762,111	0.6%	389	389
2000	693,604	48,686,537,031	297,955,443	0.6%	430	430
2001	692,910	51,130,614,851	290,022,750	0.6%	419	419
2002	695,416	55,141,931,108	280,163,590	0.5%	403	403

(1) 2002 figure represents an estimate based on historical growth.
(2) $7,800,000,000 of the increased assessed value in 1997 is due to a change in the method assessing bank deposits.

Table 9

JEFFERSON COUNTY FISCAL COURT
ASSESSED AND ESTIMATED ACTUAL VALUE OF CERTAIN TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

	Real Property		*Tangible Personal Property*		*Total*		Ratio of
Fiscal Year	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Assessed To Total Est. Actual Value
1993	$ 18,980,803,316	$ 19,993,769,246	$ 6,272,274,495	$ 6,272,274,495	$ 25,253,077,811	$ 26,266,043,741	96.1%
1994	19,566,965,836	20,669,282,226	6,346,154,009	6,346,154,009	25,913,119,845	27,015,436,235	95.9%
1995	21,434,370,424	22,561,065,628	6,582,128,191	6,582,128,191	28,016,498,615	29,143,193,819	96.1%
1996	22,148,393,479	23,358,696,319	7,139,401,228	7,139,401,228	29,287,794,707	30,498,097,547	96.0%
1997	24,190,901,282	25,405,380,639	7,613,198,285	7,613,198,285	31,804,099,567	33,018,578,924	96.3%
1998	25,660,667,701	26,940,299,068	7,765,023,517	7,765,023,517	33,425,691,218	34,705,322,585	96.3%
1999	27,255,950,247	28,551,945,967	8,045,930,810	8,045,930,810	35,301,881,057	36,597,876,777	96.5%
2000	29,043,139,019	30,395,875,319	8,287,149,420	8,287,149,420	37,330,288,439	38,683,024,739	96.5%
2001	31,423,908,212	32,770,194,834	8,440,335,579	8,440,335,579	39,864,243,791	41,210,530,413	96.7%
2002	34,730,126,504	36,179,100,046	8,843,194,051	8,843,194,051	43,573,320,555	45,022,294,097	96.8%

(1) Real and tangible personal property are responsible for a major portion of total assessed values and are shown for this reason.

(2) Under the provisions of the Homestead Amendment to the Kentucky Constitution, a portion of the assessed values of the residences of persons 65 years old & over are exempt from the property tax. The exemptions granted have been as follows: $20,300 in 1991 & 1992; $21,800 in 1993 & 1994; $23,100 in 1995 & 1996; $24,400 in 1997 & 1998; $25,400 in 1999 & 2000 and $26,800 in 2001.

Table 10

JEFFERSON COUNTY FISCAL COURT
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(In Thousands of Dollars)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1993	$ 2,804	$ 1,885	$ 4,689	$ 111,717	4.2%
1994	1,677	2,413	4,090	142,630	2.9%
1995	590	2,154	2,744	148,944	1.8%
1996	4,163	2,421	6,584	158,143	4.2%
1997	7,533	3,822	11,355	179,415	6.3%
1998	10,133	7,251	17,384	192,256	9.0%
1999	16,953	12,789	29,742	223,253	13.3%
2000	6,744	11,287	18,031	205,090	8.8%
2001	10,100	14,838	24,938 (2)	218,519 (2)	11.4%
2002	14,494	11,615	26,109	229,681	11.4%

Note: Beginning in Fiscal Year 1994, the County changed its practice of reporting certain monies it received, from reducing expenditures to reporting them as revenues. This change explains the large increase, beginning in 1994, in total general expenditures compared to prior years.

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

(2) Restated to correct reporting error.

Table 11

JEFFERSON COUNTY FISCAL COURT

STATEMENT OF DIRECT AND OVERLAPPING DEBT

June 30, 2002

Government Unit	Gross Debt Less Sinking Fund	* Percentage of Debt Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County	$280,163,590		$280,163,590
Total Direct Debt	$280,163,590		$280,163,590
Overlapping Debt:			
Louisville & Jefferson County Board of Education	$277,814,699	100%	$277,814,699
City of Louisville	72,140,000		
Total Direct & Overlapping Debt	$630,118,289		$557,978,289

* Residents of the City of Louisville are also residents of Jefferson County and consequently pay County property taxes. County residents do not pay City taxes. Therefore, the term "county taxpayers" includes City of Louisville residents.

Table 12

LEGAL DEBT MARGIN

JUNE 30, 2002

ASSESSED VALUATION - January 1, 2001	$ 55,141,931,108	
Debt limit - ten percent of assessed valuation		$ 5,514,193,111
BONDED DEBT APPLICABLE LIMIT		283,151,327
Legal debt margin		$ 5,231,041,784

Table 13

JEFFERSON COUNTY FISCAL COURT

TEN LARGEST LICENSE FEE SOURCES

FOR THE YEAR ENDED JUNE 30, 2002

Taxpayer	Type of Business	Rank
Ford Motor Company	Auto/Truck Manufacturer	1
General Electric Company	Appliance Manufacturer	2
Jefferson County Board of Education	Public School System	3
Baptist Healthcare System	Medical Services	4
Kroger	Retail Grocery Chain	5
Norton Healthcare Inc.	Medical Services	6
Anthem Companies, Inc	Health Insurance	7
United Parcel Service	Express Delivery Service	8
Peoples Benefit Life Insurance Co.	Insurance	9
Commonwealth of Kentucky	Government Services	10

Source: Louisville / Jefferson County Revenue Commission

Table 14

JEFFERSON COUNTY FISCAL COURT

TEN LARGEST PROPERTY TAXPAYERS

FOR THE YEAR ENDED June 30, 2002

Taxpayer	Type of Business	Rank
National City Bank of Kentucky	Banking / Financial Services	1
Louisville Gas & Electric Company	Public Utility	2
BellSouth Telecommunications	Communications	3
PNC Bank of Kentucky, Inc.	Banking / Financial Services	4
Bank One, Kentucky	Banking / Financial Services	5
Insight Kentucky Partners	Cable / Internet Service Provider	6
General Electric Inc.	Appliance Manufacturer	7
Humana, Inc.	Insurance	8
Fifth / Third Bank of Kentucky	Banking / Financial Services	9
Bank of Louisville	Banking / Financial Services	10

Source: Jefferson County Sheriff

Table 15

JEFFERSON COUNTY FISCAL COURT

DEMOGRAPHIC STATISTICS

HISTORICAL / PROJECTED

Year	Population Louisville MSA/PMSA (1)	Year	School Enrollment (2)	Average Annual (3) Employment Average	Average Annual (3) Unemployment Rate %	Average Annual (3) Income of Production Workers
1950	635,040	*1992*	124,891	488,900	5.6	$27,797
1960	791,910	*1993*	122,963	488,007	5.0	27,826
1970	909,860	*1994*	123,818	489,833	4.2	28,166
1980	956,600	*1995*	119,444	515,473	4.1	29,694
1990	953,880	*1996*	121,940	527,103	4.4	30,782
1995	986,400	*1997*	122,464	526,641	3.5	31,122
2000	1,005,800	*1998*	123,868	532,100	3.2	33,913
2005	1,039,700	*1999*	123,974	547,630	3.2	34,723
2010	1,081,100	*2000*	124,147	550,783	3.0	38,938
2015	1,117,900	*2001*	125,930	562,072	3.8	36,010

Source: Greater Louisville Inc.

(1) Historical Data 1950-1990 - U.S. Census Bureau, Projected Data 1995-2015 Woods & Pool

(2) Includes public, parochial and private schools in Jefferson County.

(3) Louisville Seven County MSA/PMSA (Jefferson, Bullitt & Oldham Counties, Kentucky; Clark, Floyd, Scott and Harrison Counties, Indiana)

Table 16

JEFFERSON COUNTY FISCAL COURT

CONSTRUCTION, REAL ESTATE SALES, RETAIL SALES AND BANK DEPOSITS

LAST TEN YEARS

Calendar Year	Construction Permits Issued (1) Total Value	Residential Single-Family # Units	Residential Single-Family Value	Real Estate Sales (1)	Estimated Retail Sales (2)	Bank Deposits (1)
1992	$ 379,386,000	1,801	$ 201,469,000	$ 649,425,000	$ 7,710,316,000	$ 1,791,004,000
1993	387,381,000	1,750	228,336,000	799,013,000	8,864,108,000	1,848,449,000
1994	401,007,000	1,796	263,119,000	826,149,000	8,994,842,000	1,907,899,000
1995	416,111,000	1,750	274,018,000	909,069,000	9,307,699,000	1,971,328,000
1996	580,684,000	2,699	301,278,000	1,035,465,290	9,418,748,000	2,083,413,000
1997	605,242,000	2,988	290,044,000	1,120,995,167	9,717,020,000	3,187,963,000
1998	672,237,000	2,567	289,736,000	1,066,557,323	10,180,225,000	3,366,886,000
1999	741,245,000	2,392	311,943,000	1,428,233,661	13,106,414,000	3,801,023,000
2000	930,702,000	2,465	401,679,000	1,214,085,448	13,535,563,000	4,113,936,000
2001	923,626,000	2,384	475,730,000	1,382,164,902	12,925,845,000	4,382,846,000

Source: Greater Louisville Inc.

(1) Jefferson County

(2) Louisville Seven County MSA/PMSA (Jefferson County, Bullitt & Oldham Counties, Kentucky; Clark, Floyd, Scott and Harrison Counties, Indiana).

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
CASUALTY					
Excess Workers Compensation	Midwest Employers Casualty	2801SOKY 07/1/01-02	Specific excess & employee liability insurance for operation of County's Self-Insurance Program in Worker's Compensation	Specific Excess: If any (1) claim exceeds the retention of $300,000, the insurer will pay up to $10,000,000 Employers Liability: $1,000,000	$56,160
Automobile Liability	(Effective July 1, 1987 Jefferson County began self-funding this risk)		N/A	N/A	
Professional Liability for EMS Personnel	Primary-American Alternative Insurance Corp.	VFIS-CL0002572 08/01/01-02	Provides malpractice insurance coverage for EMS technicians & paramedics	Primary: $1,000,000/claim & $1,000,000 annual aggregate	$17,530
	Excess-American Alternative Insurance Corp.	VFIS-CU5001104 08/01/01-02	Provides malpractice insurance coverage for EMS technicians & paramedics	Excess $5,000,000/claim & $5,000,000 annual aggregate	$4,290
Professional Liability Co. Clerk Personnel	Specialty National	3XZ122593-00 7/1/01-02	Provides liability coverage for errors & omissions in filing legal documents by Co. Clerk employees	$5,000,000/claim $5,000,000/annual aggregate w/$10,000 deductible	$42,630
O,L,&T Liability	Transportation (CNA Subsidiary)	C 1080150405 7/1/01-02	Provides liability coverage in leased office space occupied by County employees	$1,000,000 per location with 3 sites	$6,538

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
AIRCRAFT					
Hull & Liability	Westchester Fire	A C N 670270 11/16/01-02	Provides hull & liability insurance for two County police helicopters	Hull Coverage Deductible N40AP 360,000 18,000 N200KG 1,200,000 60,000 $10,000,000 liability/occurrence including passengers	$116,138
MARINE					
Hull Protection & Indemnity	Continental	H 0863768 10/15/01-02	Provides hull & liability insurance coverage for 4 county water craft, a runabout, a 28' cruiser, a 35' fire boat, 2 trailers, River Patrol office & contents & a 16' jonboat (liability only)	Deductible - 2% of agreed hull value All boats $300,000 liability	$8,873
PROPERTY					
Equipment Floater	Continental Casualty	C 1080952355 09/11/01-02	Provides for physical loss or damage for voting machines & related equipment.	$2,180,413 w/$1,000 deductible claim	$5,908

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
PROPERTY (Continued)					
Equipment Floater	ACE American	I20383872 09/15/01-02	Provides for physical loss or damage for mobile Works, Police, EMS, Corrections & Health Dept. equipment.	$5,798,091 w/$1,000 deductible/claim	$21,743
Auto Catastrophy	General Accident	QIR 797910 10/15/01-02	Provides for physical loss or damage to vehicles parked at Public Works, Police Districts, Health Dept., Animal Control, etc.	$7,000,000 w/ $50,000 deductible	$19,600
Boiler & Machinery	Federal	7641-33-77 07/26/01-02	Provides for physical loss or damage for boilers & machinery	$50,000,000 w/$5,000 deductible	$19,085
Data Processing	Continental Casualty	IM1056269612 7/1/01-02	Provides for physical loss or damage to data processing hardware and software.	$2,200,000 w/$5,000 deductible	$137
All Risk Property	Travelers	123D194300 09/15/01-02	Provides for physical loss or damage to County buildings & contents.	$364,523,775 w/$10,000 deductible	$227,914
Flood & Earthquake	Travelers	123D194300 09/15/01-02	Provides for physical loss or damage to County buildings & contents.	$50,000,000 w/$100,000 deductible	Included Above

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
PROPERTY (Continued)					
Equipment Floater	General Accident	QIR761932 07/01/01-02	Provides for physical loss or damage for unlicensed works equipment.	$1,164,680 w/$5,000 deductible	$7,920
Equipment Floater	National Fire Ins. Co. of Hartford (C N A Subsidiary)	C1 80150386 07/01/01-02	Provides for physical loss or damage for licensed works & EMS equipment.	$7,108,000 w/$5,000 deductible	$16,956
HEALTH					
Blanket Accident	ITT Hartford	33VP100530 9/14/01-02	Provides bodily injury protection to volunteer firefighters while performing their duties.	Accidental Death - $50,000 Total Disability - $50,000 Weekly Indeminity - 85%	$27,000
BONDS					
Public Employees Blanket Bond	Fidelity & Deposit	CCP0011704 CCP0011705 07/01/01-02	Provides dollar coverage for Jefferson County government from employee dishonesty.	$1,000,000 w/$5,000 deductible	$7,338
PUBLIC OFFICIALS BONDS					
Rebecca Jackson *County Judge/Executive*	Ohio Casualty	3431614 01-04-99/1-6-03	Provides Liability protection for alleged errors.	$100,000	$254

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
PUBLIC OFFICIALS BONDS (Continued)					
Lorene C. Beavin *Deputy County Judge*	Ohio Casualty	3578909-1 01-04-99/ Indefinite	Provides Liability protection for alleged errors.	$100,000	$254
Barbara Holsclaw *County Clerk*	Ohio Casualty	3431664 01/04/99-1/06/03	Provides Liability protection for alleged errors.	$500,000	$1,269
Richard Greathouse *County Coroner*	Western Surety	58482898 01/04/99-01/06/03	Provides Liability protection for alleged errors.	$10,000	$51
Michael Thompson *County Constable*	Ohio Casualty	3127780-1 01/04/99-01/06/03	Provides Liability protection for alleged errors.	$10,000	$51
William Clark *County Constable*	Ohio Casualty	3127784-1 01/04/99-01/06/03	Provides Liability protection for alleged errors.	$10,000	$51
John Zehnder *County Constable*	Ohio Casualty	3127779-1 01/04/99-01/06/03	Provides Liability protection for alleged errors.	$10,000	$51
Anthony Sickles *County Surveyor*	Ohio Casualty	3127781-1 01/04/99-01/06/03	Provides Liability protection for alleged errors.	$10,000	$51

JEFFERSON COUNTY FISCAL COURT
SCHEDULE OF INSURANCE AND BONDS IN FORCE
June 30, 2002

TYPE OF RISK	INSURER	POLICY PERIOD	DETAILS OF COVERAGE	LIMITS OF LIABILITY	ANNUAL PREMIUM
PUBLIC OFFICIALS BONDS (Continued)					
Mark W. Adams *County Road Engineer*	Ohio Casualty	3578978-1 01/09/01-01/11/05	Provides Liability protection for alleged errors.	$10,000	$51
Kay Q. Grissett *Deputy Court Clerk*	Ohio Casualty	3429754-1 01/28/97- Indefinite	Provides Liability protection for alleged errors.	$5,000	$51
Richard Hofmann Jr. *County Treasurer*	Ohio Casualty & West American	35797597 7/01/99-03	Provides Liability protection for alleged errors.	$1,000,000	$1,883
John E. Aubrey *County Sheriff*	Ohio Casualty	3484188-8 8/01/01-02	Provides Liability protection for alleged errors.	$1,000,000	$1,852
John T. Spellman *Alcohol Beverage Control Administrator*	Ohio Casualty	3579715 04/28/99-Indefinite	Provides Liability protection for alleged errors.	$1,000	$51
Sandra Moore *Fiscal Court Clerk*	Ohio Casualty	36488662 2/28/00-Indefinite	Provides Liability protection for alleged errors.	$5,000	$51

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