



**Auditor of State
Betty Montgomery**

HOLMES COUNTY
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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 20, 2005 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2004-003.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the County's management dated July 20, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2004-001 and 2004-002. In a separate letter to the County's management dated July 20, 2005, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 20, 2005



Auditor of State Betty Montgomery

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

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

Compliance

We have audited the compliance of Holmes County, Ohio, (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying Schedule of Findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each major federal program for the year ended December 31, 2004.

In a separate letter to the County's management dated July 20, 2005, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated July 20, 2005.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of and for the year ended December 31, 2004, and have issued our report thereon dated July 20, 2005 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Federal Awards Expenditures Schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 20, 2005

HOLMES COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education_Grants to States	066403-6BSF-2004-P	84.027	\$52,948
Special Education_Preschool Grants	066043-PGSI-2004-P	84.173	38,719
Total Special Education Cluster			91,667
State Grants for Innovative Programs	066043-C2S1-2004	84.298	911
<i>Passed through the Ohio Department of Health:</i>			
Special Education _Grants for Infants and Families with Disabilities	38-1-002-1-EG-04	84.181	38,182
Total U.S. Department of Education			130,760
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grants/State's Program	B-F-03-035-1	14.228	122,325
Community Development Block Grants/State's Program	B-C-03-035-1		181,608
			303,933
HOME Investment Partnerships Program	B-C-00-035-2	14.239	45,900
Total U.S. Department of Housing and Urban Development			349,833
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Crime Victim Assistance	2004-VA-GEN-E274	16.575	66,445
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Ohio Department of Public Safety:</i>			
State Domestic Preparedness Equipment Support Program	2004-GE-T4-0025	97.004	362,276
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Social Services Block Grant	N/A	93.667	18,172
Medical Assistance Program	N/A	93.778	475,600
Total U.S. Department of Health and Human Services			493,772
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	N/A	10.555	55,335
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
WIA Adult Program	N/A	17.258	47,582
WIA Youth Activities	N/A	17.259	74,133
WIA Dislocated Workers	N/A	17.260	57,419
Unemployment Insurance	N/A	17.225	9,245
Total Workforce Investment Act Cluster			188,379
Total U.S. Department of Labor			188,379
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
<i>Pass through Ohio Secretary of State</i>			
Election Reform Payments		39.011	6,000
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	N/A	20.205	1,051,301
Job Access_Reverse Commute	JAR-4038-022-031	20.516	69,256
Total U.S. Department of Transportation			1,120,557
<u>FEDERAL AVIATION ADMINISTRATION (FAA)</u>			
Airport Improvement Program		20.106	93,000
Airport Improvement Program			29,913
Total Federal Aviation Administration (FAA)			122,913
Total			\$2,896,270

The accompanying notes are an integral part of this schedule.

HOLMES COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

HOLMES COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction, CFDA 20.205 State Domestic Preparedness Equipment Support Program, CFDA 97.004
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2004-001

Noncompliance Citations

Ohio Rev. Code Section 5705.41 (B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated. The County received on behalf payments of \$1,090,451 in federal funds from the Ohio Department of Transportation that were not appropriated, contrary to this Section. The County should ensure that all on behalf payments are properly budgeted.

Ohio Rev. Code Section 5705.42 requires, in part, that when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of the state to aid in paying the cost of any program, activity or function of such subdivision, the amount is deemed appropriated and shall be recorded as such by the subdivision.

FINDING NUMBER 2004-001 (Continued)

Noncompliance Citations (Continued)

The County did not record the federal and state funding received from the Ohio Department of Transportation for the Rails to Trails construction project which initially caused revenues and expenditures to be understated by \$1,090,451 and \$1,058,168 respectively. The County should establish a procedure to help ensure all activity related to the Rails to Trails or any other on-behalf funds that is received is properly recorded. The County should refer to Auditor of State Bulletins 2002-004 and 2000-008 for guidance on this and other related topics.

A similar matter was reported in the management letter of the 2003 audit.

FINDING NUMBER 2004-002

Noncompliance Citations

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision certifying that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **"Then and Now" Certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the County can authorize the drawing of a warrant for the payment of the amount due. The County has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

FINDING NUMBER 2004-002 (Continued)

Noncompliance Citations (Continued)

29 of the 80 (36%) expenditures tested were not certified by the County Auditor prior to incurring the obligation. It was also found that none of the exceptions above were utilized for the items found to be in noncompliance. The County should certify the availability of funds for expenditure and also implement the use of Then and Now Certificates as further means to certify funds pursuant to Ohio Rev. Code Section 5705.41(D).

During 2004, several instances were noted in which the County had more than one blanket certificate outstanding against a specific line item account at one particular time. The County Commissioners did not adopt a quarterly spending plan and super blanket certificates were issued for the entire year. The County should periodically review the Outstanding Purchase Order Report for line-items which have multiple blanket certificates outstanding to ensure only one blanket certificate is outstanding per line-item at any particular time. The county commissioners should also adopt a quarterly spending plan and ensure the super blanket certificates do not run beyond the quarterly spending plan.

A similar matter was reported in the management letter of the 2003 audit.

FINDING NUMBER 2004-003

Reportable Condition

Rails to Trails Agreement

In September 1992, the County Commissioners adopted a Resolution (#09-21-92-2) and a Code of Regulations which established the Rails to Trails Coalition Agency (Agency) to act on behalf of the County Commissioners to solicit funds to provide support for Rails to Trails conversions within Holmes County and adjacent counties. The Code of Regulations Article III Section 1 established an eleven member Board of Trustees who are appointed by the County Commissioners. The resolution also required the Agency to designate funds with the Holmes County Auditor and Treasurer in a separate fund to be used solely for the Agency.

The Code of Regulations Article 1 Section 1 established the name of the agency as the Holmes County Rails to Trails Agency; however, this Section further stated the organization may be informally known as the Holmes County Rails to Trails Coalition. Article VI Section 1 required the Agency Board of Trustees to report informally, no less than quarterly, and provide a written report at least annually, within 30 days at the close of the calendar year, to the Board of Commissioners with regard to the Agency's finances and activities. Article VI Section 2 specially requires that all funds received by the Agency be considered County funds upon receipt and be accounted for and expended in accordance with law.

A third entity, the Holmes County Rails to Trails Coalition (Coalition) was incorporated as a non-profit corporation with the Secretary of State of Ohio in June, 1996. The Board of Trustees of the Coalition adopted a separate code of regulations in August 2003.

The County has treated the Agency and Coalition as two independent entities even though their Board members are the same and their purpose is similar. Further complicating the issue is the fact the Coalition Executive Director has performed, on behalf of the County, federal compliance control procedures such as invoice approval and prevailing wage monitoring without an agreement with the County to do so. Finally, the Agency has not complied with reporting and accountability requirements outlined in the original Resolution and Code of Regulations.

FINDING NUMBER 2004-003 (Continued)

Reportable Condition (Continued)

As a result, the Coalition appears to be performing Rails to Trails responsibilities authorized by the County Commissioners in the original Resolution and Code of Regulations rather than the Agency.

To help eliminate confusion related to the responsibilities of supporting the Rails to Trails within Holmes County, the County Commissioners should, along with the Agency and Coalition, revisit the original Resolution and Code of Regulations to clarify their intent concerning the following:

- Who is responsible to perform control procedures to help ensure compliance with state and federal requirements for the Rails to Trails?
- Who is responsible to report progress and financial information to state and federal grantor agencies?
- Who is responsible to manage and maintain operation of the Rails to Trails?
- Who is responsible to report financial activity to the County Auditor and Treasurer to ensure Rails to Trails transactions are properly budgeted for and recorded on the County's books?

If the County Commissioners decide to delegate their Rails to Trails responsibilities to third parties, they should follow up to ensure that procedures are followed in accordance with intent as documented in their executed agreements.

3. FINDINGS FOR FEDERAL AWARDS

None

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

HOLMES COUNTY, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2004

PREPARED BY
AUDITOR'S OFFICE
JACKIE MCKEE, AUDITOR

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HOLMES COUNTY, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004
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HOLMES COUNTY, OHIO

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HOLMES COUNTY, OHIO

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HOLMES COUNTY, OHIO

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Introductory Section

Jackie McKee

Holmes County Auditor

Clinton Street Office Building • 75 East Clinton Street, Suite 107 • Millersburg, Ohio 44654
Phone: (330) 674-1896 • Fax: (330) 674-9428

July 20, 2005

The Honorable David L. Hall
The Honorable Joe Miller
The Honorable Ray Feikert

The Citizens of Holmes County:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Holmes County (the "County") for the year ended December 31, 2004. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County.

The information contained in the report is designed to assist County Officials in making management decisions and to provide the taxpayers of the County with comprehensive financial data in such a format as to enable them to gain a true understanding of the County's financial affairs. The general public, as well as investors, will be able to compare the financial position of the County and the results of its operations with other government entities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County, specifically the County Auditor's Office.

This is the thirteenth consecutive CAFR issued by the County Auditor's office. The report is prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP), as set forth by the Government Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The County's Management's Discussion and Analysis (MD&A), which focuses on the government-wide statements, can be found immediately following the report of the independent auditors.

The CAFR is presented in three sections:

- The introductory section includes this letter of transmittal, a list of the County's elected officials, the County's organization chart, and the 2003 GFOA Certificate of Achievement for Excellence in Financial Reporting.
- The financial section includes the independent accountants' report, a management's discussion and analysis, the basic financial statements and notes, the combining statements for nonmajor funds and other relevant supplemental financial statements and individual fund schedules for 2004.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The County and Form of Government

The County, located in Northeast Ohio, was named for Andrew Hunter Holmes. He was a major in the United States Army who was killed during the War of 1812. In its present form, Holmes County encompasses about 424 square miles (265,640 acres). The County includes 7 villages and 14 townships. With the exception of German Township, which was renamed Clark Township in 1918, the territory of each township is the same today as when the County first was organized.

A mostly rural County, Holmes has seen slow, steady growth throughout much of its history. Holmes County is known for the wide variety of products originating from its fertile soil. Today, it is a hotbed of summer tourist activities, thanks in part to a renewed interest in the Amish and their simple lifestyle.

Ohio statutes impose the legislative, financial and judicial powers of the County. The legislative body of the County is comprised of a three member Board of County Commissioners who are elected at large for overlapping four-year terms. The Board of Commissioners serves as the taxing authority, the contracting body and the chief administrators of public services for the County. The Board of Commissioners creates and adopts the annual operating budget, including all appropriation measures, and approves all expenditures of all County funds. In addition to the Board of Commissioners, the offices of the County Auditor and County Treasurer perform the various financial functions of the County government.

The County Auditor, who is elected to a four-year term, serves as the chief fiscal officer for the County and the tax assessor for all political subdivisions within the County. As the chief fiscal officer, no contract or obligation involving the County can be made without the Auditor's certification that appropriations are sufficient and that funds are available to ensure that the contract or obligation can be paid. The Auditor is also the central disbursing agent of the County, who, by the issuance of county warrants, distributes funds to creditors in payment of liabilities, including payroll, incurred by the County and its departments. As tax assessor, the County Auditor is responsible for establishing the tax rates for real estate, personal property and manufactured homes. Once these taxes are collected, the County Auditor is responsible for distributing those collections to other governmental entities in accordance with legally adopted rates. The County Auditor also serves the secretary of the County Board of Revision and of the County Budget Commission.

The County Treasurer, also elected to a four-year term, is the custodian of all County funds. The County Treasurer is responsible for the investment of all idle County Funds, as specified by Ohio law. The County Treasurer is also responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. Daily reconciliation of the total County fund balances of the County Auditor and the County Treasurer are performed by the two offices, and reconciliation on a fund-by-fund basis are prepared monthly. The County Treasurer, the County Auditor and the County Prosecutor comprise the County Budget Commission. The Budget Commission plays an important function in the financial administration of the County's government and all other local governments within the County.

Other elected officials include the County Prosecutor, the Engineer, the Recorder, the Sheriff, the Clerk of Courts, the Coroner, the Common Pleas Judge, the Probate and Juvenile Judge, and the County Court Judge.

The Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity." The basic financial statements contained within this CAFR include all funds, agencies, boards, and commissions for which the County (the reporting entity) is financially accountable. The County provides a wide range of general government services to its residents which include: human and social services, health and community assistance related services, civil and criminal justice systems, road and bridge maintenance and other general legislative and administrative support service. In addition, the County operates certain enterprise funds, which include a water district, a sewer district, County disposal (landfill) and a hospital.

The County's reporting entity includes the financial activities of the Children Services Board, the Board of Mental Retardation and Developmental Disabilities (MR/DD), the Department of Job and Family Services (Public Assistance), the Joel Pomerene Hospital, the Rails-to-Trails Coalition Agency, and all departments and activities that are directly operated by the elected County officials.

Organizations that are legally separate from the County are included if the County's elected officials appoint a voting majority of the organization's governing body and either the County has the ability to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may also be financially accountable for governmental organizations that are fiscally dependent on it.

Component units are legally separate organizations which are fiscally dependent on the County or for which the County is fiscally accountable. The County reports the Lynn Hope Industries, Inc., the Holmes County Airport Authority and the Holmes County Regional Planning Commission as discretely presented component units.

The County is also associated with the following organizations:

Joint Ventures Without Equity Interest

Alcohol, Drug Addition and Mental Health Services Board of Wayne and Holmes Counties

Jointly Governed Organizations

Multi-County Juvenile Attention Center

Stark Regional Community Corrections Center

Holmes County Family and Children First Council

Public Entity Risk Pools

County Risk Sharing Authority, Inc.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

Related Organizations

Holmes County Public Library

Holmes County Park District

Northeast Ohio Outreach Network

The County also serves as fiscal officer and custodian of funds but is not accountable for the following organizations:

Holmes County District Board of Health

Holmes County Soil and Water Conservation District

The operations of the two above mentioned agencies have been excluded from the County's basic financial statements, but the funds held on their behalf in the County Treasury are included in the agency funds.

A complete discussion of the County's reporting entity is provided in Note 2.A. of the basic financial statements.

Economic Condition and Outlook

Holmes County is a predominantly rural county and has no large metropolitan or densely populated areas. Manufacturing, farming and tourism are the biggest contributors to the County's economy. Much of the manufacturing economy is the result of small scale operations, particularly in woodworking, that are often called "cottage industries". As in many rural areas, farmland preservation has become an issue in the County, and its effect on the future development of all segments of an area's economy cannot be ignored. With a low rate of unemployment, durable farming and tourism industries and a healthy base of cottage and light industry, the Holmes County economy is well positioned to face the challenges of future budget issues.

2004 was the eleventh year in which a hotel/motel bed tax was put into effect on a County level. County Commissioners passed a resolution effective June 1, 2001, increasing the bed tax 2 percent to a total of 3 percent. The additional 1 percent goes directly to Travel and Tourism Bureau and the other 1 percent is set aside in a fund to be used for Bed Tax Grants. Monies collected in 2004 for the bed tax were the highest recorded due to the increase in percentage and the Commissioners taxed all beds, increasing from \$289,897 in 2003 to \$329,797 in 2004. A total of \$104,105 was distributed to organizations for community projects including \$20,000 to Holmes County Chamber and \$20,000 to Holmes County Rails to Trails.

The financial woes of the State of Ohio continue to trickle down to the County level. With some funding cuts or freezes from the State to the County, it will make the budget process for the County more challenging. The State of Ohio continued to work on balancing their budget and has cut many programs and funding to the local governments.

New Construction

New construction of agricultural, residential, industrial and commercial properties is perhaps the best barometer for economic growth in the County. Below is a chart depicting the steady growth for the past eight years.

Year		Agriculture	Residential	Industrial	Commercial	Total
2005	Assessed	\$ 4,620,590	\$ 14,425,730	\$ 1,820,020	\$ 3,618,440	\$ 24,484,780
	Estimated					
	Actual	13,201,686	41,216,371	5,200,057	10,338,400	69,956,514
2004	Assessed	\$ 4,279,710	\$ 11,290,310	\$ 2,356,280	\$ 6,770,240	\$ 24,696,540
	Estimated					
	Actual	12,227,742	32,258,028	6,732,228	19,343,542	70,561,540
2003	Assessed	\$ 4,253,230	\$ 9,689,060	\$ 388,950	\$ 3,467,130	\$ 17,798,370
	Estimated					
	Actual	12,152,086	27,683,029	1,111,286	9,906,086	50,852,487
2002	Assessed	\$ 4,161,740	\$ 8,109,080	\$ 285,520	\$ 2,080,460	\$ 14,636,800
	Estimated					
	Actual	11,890,686	23,168,800	815,771	5,944,171	41,819,428
2001	Assessed	\$ 3,966,810	\$ 8,459,040	\$ 842,160	\$ 3,196,460	\$ 16,464,470
	Estimated					
	Actual	11,333,573	24,168,323	2,406,135	9,132,606	47,040,637
2000	Assessed	\$ 3,883,340	\$ 5,376,640	\$ 78,270	\$ 2,072,680	\$ 11,410,930
	Estimated					
	Actual	11,095,257	15,361,829	223,629	5,921,943	32,602,658
1999	Assessed	\$ 3,272,240	\$ 6,356,310	\$ 397,760	\$ 653,850	\$ 10,680,160
	Estimated					
	Actual	9,349,260	18,160,890	1,136,460	1,868,140	30,514,750
1998	Assessed	\$ 3,532,330	\$ 6,696,390	\$ 183,820	\$ 1,239,760	\$ 11,652,300
	Estimated					
	Actual	10,092,370	19,132,540	525,200	3,542,170	33,292,280

Fund Accounting

The County's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. Following are the titles of these funds with a brief description.

Governmental funds:

General Fund - The general fund is the general operating fund of the County. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. County ordinances or federal or state statutes specify the uses and limitations of each special revenue fund. During 2004, the County had 40 (forty) special revenue funds.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2004, the County had 1 (one) debt service fund.

Capital Projects Funds - The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2004, the County had 6 (six) capital projects funds.

Proprietary funds:

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County has 4 (four) separate enterprise funds for a water district, sewer district, County disposal (landfill) and a hospital.

Fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The County had 27 (twenty-seven) agency funds during 2004. The County does not have any trust funds.

Basis of Accounting

Except for budgetary purposes, the basis of accounting used by the County conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units and are consistent with GASB Cod. Sec. 1600, *Basis of Accounting*. All governmental funds are accounted for using a current financial resources-current assets and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized when they are susceptible to accrual (both measurable and available). Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus on the County's proprietary funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the County in its proprietary and agency funds.

The County's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than as reservations of fund balances.

For the year ended December 31, 2004, the County has continued to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The government-wide financial statements, including governmental activities, in order to comply with GASB Statement No. 34, are presented on the full accrual basis of accounting. As part of this reporting model, management is responsible for preparing a management's discussion and analysis. This discussion follows the independent accountants' report, providing an assessment of the County's finances for 2004.

Accounting policies are further explained in Note 2 to the basic financial statements.

Internal Controls

In developing the accounting system, the County gave much consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The County uses a fully-automated accounting system as well as automated systems of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the accounting department of the Auditor's Office, help insure that the financial information generated is both accurate and reliable.

Budgetary Controls

The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the coming year. This appropriation is sometimes called a temporary appropriation. Usually by mid-February but before April 1, permanent appropriations are approved which take into consideration the balances left from the prior year as well as any revisions in revenue estimated for the year. All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the object level within a department and fund. Purchase orders are approved by the department heads and by the Commissioners for departments under their control and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured. A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular account.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of and for the year ended December 31, 2004, by independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133.

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

Awards

The Governmental Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Holmes County, Ohio, for its comprehensive annual financial report for the year ended December 31, 2003. This was the twelfth consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both GAAP and all applicable legal requirements.

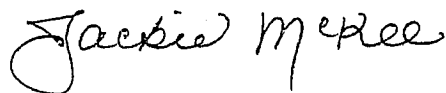
A Certificate of Achievement is valid for a period of one-year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to the GFOA to determine its eligibility to receive the certificate, which is the highest form of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

Acknowledgments

The publication of this report is the culmination of many hours of dedicated work by the fiscal department of the Office of the Holmes County Auditor. The effort made by various department heads and their staff in compiling the needed data is greatly appreciated again this year. Appreciation is in order for our consultants, Julian & Grube, Inc., for their cooperation and technical guidance in completing the County's thirteenth consecutive CAFR.

I thank the citizens of Holmes County for supporting our efforts to provide sound financial management.

Sincerely,



Jackie McKee
Holmes County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Holmes County,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Zielle

President

Jeffrey R. Emer

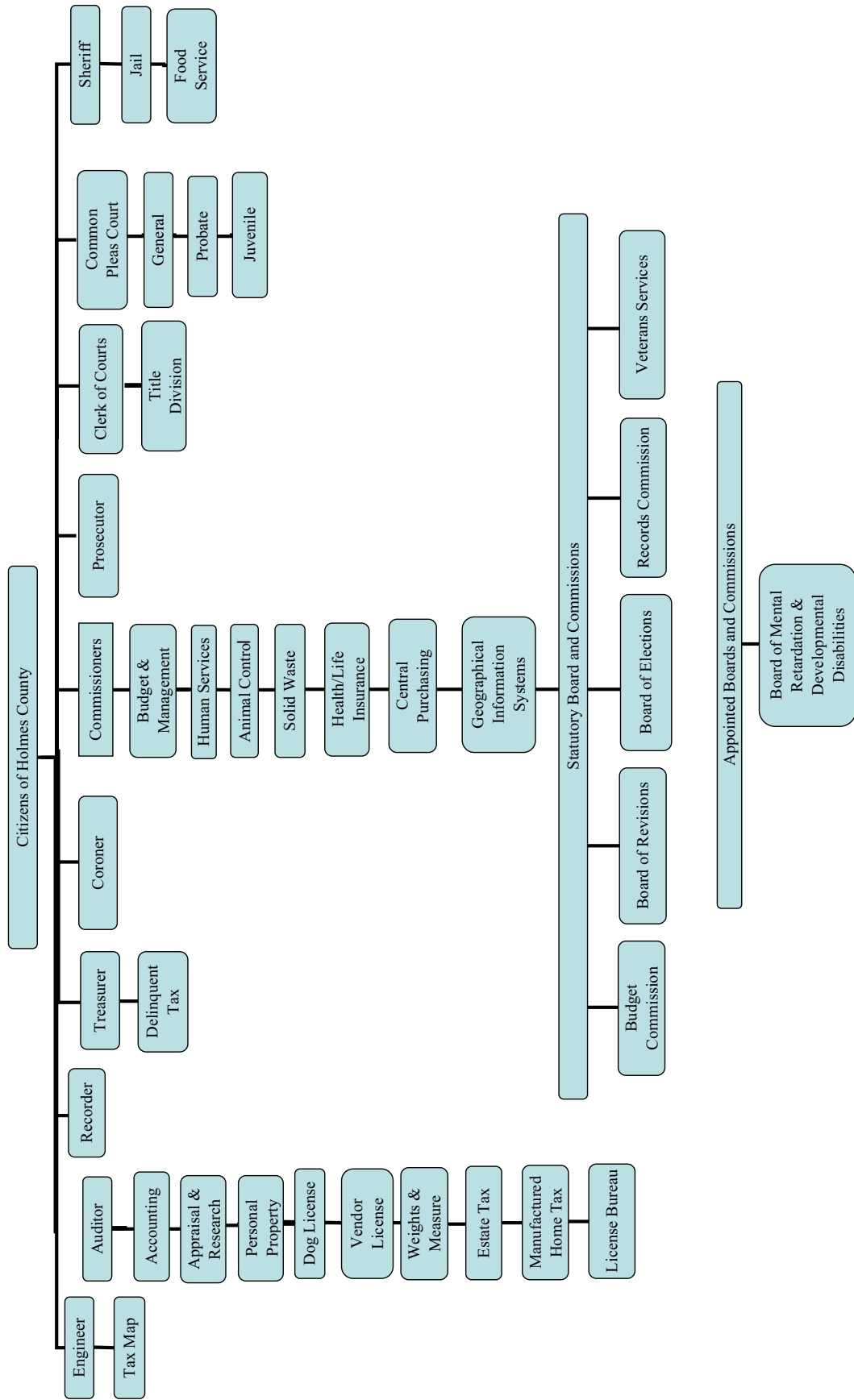
Executive Director

HOLMES COUNTY, OHIO

**ELECTED OFFICIALS
DECEMBER 31, 2004**

Commissioner David L. Hall
Commissioner Joe Miller
Commissioner Ray Feikert
Auditor. Jackie McKee
Treasurer. Joyce L. Yoder
Prosecuting Attorney Robert D. Rinfret
Common Pleas Judge Thomas D. White
Probate and Juvenile Judge Thomas C. Lee
County Court Judge Jane Irving Baserman
Clerk of Courts Dorcas L. Miller
Coroner Robert J. Anthony, MD
Sheriff Timothy W. Zimmerly
Recorder Sally E. Miller
Engineer Christopher R. Young

**HOLMES COUNTY, OHIO
ORGANIZATION CHART**



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Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Joel Pomerene Memorial Hospital, a major Enterprise Fund, which represent 79 percent, 96 percent and 97 percent, respectively, of the assets, net assets and revenues of the County's business-type activities. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Joel Pomerene Memorial Hospital on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure 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 and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Special Revenue County Board of MR/DD, Motor Vehicle License and Gas Tax and County Home Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

101 Central Plaza South / 700 Bank One Tower / Canton, OH 44702
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2005, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We and the other auditors have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining non-major fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the Introductory Section and Statistical Tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 20, 2005

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

The management's discussion and analysis of Holmes County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- The total net assets of the County increased \$1,836,689. Net assets of governmental activities increased \$1,587,189, which represents a 5.11% increase over fiscal year 2003. Net assets of business-type activities increased \$249,500 or 1.22% from fiscal year 2003.
- General revenues accounted for \$12,515,018 or 42.69% of total governmental activities revenue. Program specific revenues accounted for \$16,799,234 or 57.32% of total governmental activities revenue.
- The County had \$27,727,063 in expenses related to governmental activities; \$16,799,234 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$12,515,018 were adequate to provide for these programs.
- The General Fund, the County's largest major governmental fund, had revenues and other financing sources of \$9,345,967 in 2004, an increase of \$272,876 or 3.01% from 2003 revenues. The General Fund, had expenditures and other financing uses of \$9,247,202 in 2004, a decrease of \$167,218 or 1.78% from 2003. The increase in revenues and the decrease in expenditures contributed to the General Fund balance increase of \$98,765 from 2003 to 2004.
- The County Board of Mental Retardation and Developmentally Disabled (MR/DD) fund, a major governmental fund, had revenues of \$5,072,397 in 2004, an increase of \$313,466 or 6.59% from 2004 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$4,860,700 in 2004, a decrease of \$45,798 or 0.93% from 2003. The decrease in expenditures, the increase in revenues, and decrease in transfers out contributed to the County Board of MR/DD fund balance increase of \$211,697 from 2003 to 2004.
- The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$3,716,418 in 2004, an increase of \$476,968 or 14.72% from 2003 revenues. The motor vehicle license and gas tax fund, had expenditures of \$3,686,155 in 2004, an increase of \$379,314 or 11.47% from 2003. The larger increase in revenues and the smaller increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance increase of \$30,263 from 2003 to 2004.
- The County Home fund, a major governmental fund, had revenues of \$1,450,644 in 2004. The County Home fund, had expenditures of \$1,641,969 in 2004. The County Home fund balance decreased \$191,325 from 2003 to 2004.
- The Rails-to-Trails fund, a major governmental fund, had revenues and other financing sources of \$2,066,195 in 2004. The Rails-to-Trails fund, had expenditures of \$2,083,178 in 2004. The Rails-to-Trails fund balance decreased \$16,983 from 2003 to 2004.
- Net assets for the business-type activities, which are made up of the Sewer District, East Holmes Water, County Disposal and Joel Pomerene Hospital enterprise funds, increased in 2004 by \$249,500. This increase in net assets was mainly due to adequate charges for services revenue to cover operating expenses.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

- In the General Fund, the actual revenues and financing sources came in \$890,141 higher than they were originally budgeted and actual expenditures and financing uses were \$7,982 higher than the amount in the original budget. These variances are a result of the County's conservative budgeting process.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the County, there are five major governmental funds. The General Fund is the largest major fund.

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities answer the question, "How did we do financially during 2004?" These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

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

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

The County's statement of net assets and statement of activities can be found on pages F18-F21 of this report.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, Motor Vehicle License and Gas Tax, County Board of Mental Retardation and Developmentally Disabled (MR/DD), County Home and Rails-to-Trails. The County's major enterprise funds are the Sewer District, County Disposal and Joel Pomerene Hospital. The analysis of the County's major governmental and proprietary funds begins on page F10.

Governmental Funds

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages F23-F28 and the budgetary statements for the general and major special revenue funds can be found on pages F29-F32 of this report.

Proprietary Funds

The County maintains only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer district, water district, disposal district and the Joel Pomerene hospital operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County has no internal service funds. The basic proprietary fund financial statements can be found on pages F34-F41 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Agency funds are the County's only fiduciary fund type. The basic fiduciary fund financial statement can be found on page F42 of this report.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F43-F84 of this report.

Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the County as a whole. The table below provides a summary of the County's net assets for 2004 and 2003.

	Net Assets					
	Governmental Activities 2004	Business-type Activities 2004	Governmental Activities 2003	Business-type Activities 2003	2004 Total	2003 Total
	<u>Assets</u>					
Current and other assets	\$ 21,298,054	\$ 14,814,073	\$ 20,667,080	\$ 14,134,125	\$ 36,112,127	\$ 34,801,205
Capital assets	<u>25,019,642</u>	<u>14,527,670</u>	<u>23,843,225</u>	<u>14,806,419</u>	<u>39,547,312</u>	<u>38,649,644</u>
Total assets	<u>46,317,696</u>	<u>29,341,743</u>	<u>44,510,305</u>	<u>28,940,544</u>	<u>75,659,439</u>	<u>73,450,849</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	6,136,113	6,163,628	6,187,369	6,108,475	12,299,741	12,295,844
Other liabilities	<u>7,536,468</u>	<u>2,530,692</u>	<u>7,265,010</u>	<u>2,434,146</u>	<u>10,067,160</u>	<u>9,699,156</u>
Total liabilities	<u>13,672,581</u>	<u>8,694,320</u>	<u>13,452,379</u>	<u>8,542,621</u>	<u>22,366,901</u>	<u>21,995,000</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	19,832,946	10,591,883	18,521,225	10,518,569	30,424,829	29,039,794
Restricted	10,915,166	-	10,769,848	-	10,915,166	10,769,848
Unrestricted	<u>1,897,003</u>	<u>10,055,540</u>	<u>1,766,853</u>	<u>9,879,354</u>	<u>11,952,543</u>	<u>11,646,207</u>
Total net assets	<u>\$ 32,645,115</u>	<u>\$ 20,647,423</u>	<u>\$ 31,057,926</u>	<u>\$ 20,397,923</u>	<u>\$ 53,292,538</u>	<u>\$ 51,455,849</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2004, the County's assets exceeded liabilities by \$53,292,538. This amounts to \$32,645,115 in governmental activities and \$20,647,423 in business-type activities. The County's finances remained strong during 2004, despite the decline in the economy.

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 52.22% of total governmental and business-type assets. Capital assets include land, buildings and improvements, furniture, fixtures and equipment, vehicles, sub-specialty medical clinic, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2004, were \$30,424,829. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2004, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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A portion of the County's net assets, \$10,915,166 or 20.48%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net assets of \$1,897,003 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net assets for fiscal year 2004 and 2003.

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type		
	Activities	Activities	Activities	Activities	2004	2003
	<u>2004</u>	<u>2004</u>	<u>2003</u>	<u>2003</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 4,346,680	\$ 26,215,058	\$ 4,439,975	\$ 24,983,931	\$ 30,561,738	\$ 29,423,906
Operating grants and contributions	10,549,989	-	10,567,126	-	10,549,989	10,567,126
Capital grants and contributions	<u>1,902,565</u>	<u>-</u>	<u>292,021</u>	<u>-</u>	<u>1,902,565</u>	<u>292,021</u>
Total program revenues	<u>16,799,234</u>	<u>26,215,058</u>	<u>15,299,122</u>	<u>24,983,931</u>	<u>43,014,292</u>	<u>40,283,053</u>
General revenues:						
Property taxes	5,805,122	-	5,514,831	-	5,805,122	5,514,831
Sales tax	4,269,613	-	4,494,544	-	4,269,613	4,494,544
Unrestricted grants	1,094,021	-	1,060,162	-	1,094,021	1,060,162
Investment earnings	269,905	46,129	312,680	16,352	316,034	329,032
Other	<u>1,076,357</u>	<u>18,062</u>	<u>627,380</u>	<u>36,989</u>	<u>1,094,419</u>	<u>664,369</u>
Total general revenues	<u>12,515,018</u>	<u>64,191</u>	<u>12,009,597</u>	<u>53,341</u>	<u>12,579,209</u>	<u>12,062,938</u>
Total revenues	<u>29,314,252</u>	<u>26,279,249</u>	<u>27,308,719</u>	<u>25,037,272</u>	<u>55,593,501</u>	<u>52,345,991</u>
Expenses						
Program Expenses:						
General government						
Legislative and executive	4,182,615	-	4,046,800	-	4,182,615	4,046,800
Judicial	1,850,754	-	1,604,791	-	1,850,754	1,604,791
Public safety	4,386,860	-	4,116,338	-	4,386,860	4,116,338
Public works	4,647,634	-	4,129,490	-	4,647,634	4,129,490
Health	199,602	-	172,457	-	199,602	172,457
Human services	10,732,872	-	10,816,474	-	10,732,872	10,816,474
Conservation and recreation	1,160,668	-	419,284	-	1,160,668	419,284
Intergovernmental	221,255	-	220,981	-	221,255	220,981
Other	59,724	-	880	-	59,724	880
Interest and fiscal charges	285,079	-	326,124	-	285,079	326,124
Sewer District	-	729,803	-	732,630	729,803	732,630
County Disposal	-	491,614	-	433,900	491,614	433,900
Joel Pomerene Hospital	-	24,798,716	-	22,107,075	24,798,716	22,107,075
Nonmajor:						
East Holmes Water	<u>-</u>	<u>9,616</u>	<u>-</u>	<u>8,773</u>	<u>9,616</u>	<u>8,773</u>
Total expenses	<u>27,727,063</u>	<u>26,029,749</u>	<u>25,853,619</u>	<u>23,282,378</u>	<u>53,756,812</u>	<u>49,135,997</u>
Change in net assets	<u>\$ 1,587,189</u>	<u>\$ 249,500</u>	<u>\$ 1,455,100</u>	<u>\$ 1,754,894</u>	<u>\$ 1,836,689</u>	<u>\$ 3,209,994</u>

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED

Governmental Activities

Governmental net assets increased by \$1,587,189 in 2004. This increase is due to revenues increasing faster than expenses in 2004 compared to 2003.

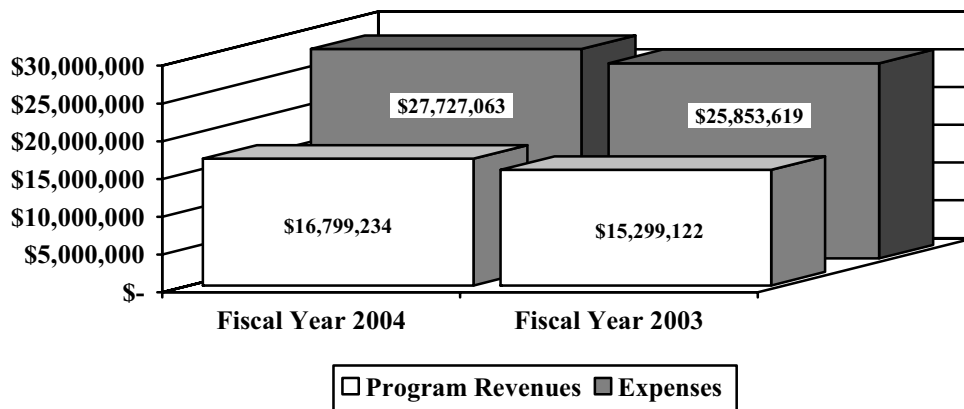
Human services, which supports the operations of the County Home, County Board of MR/DD, Job and Family Services (Public Assistance), Veteran Services, and the Children Services Board, accounts for \$10,732,872 of expenses, or 38.70% of total governmental expenses of the County. These expenses were funded by \$777,995 in charges to users of services in 2004. General government expenses which includes legislative and executive and judicial programs, accounted for \$6,033,369 or 21.76% of total governmental expenses. General government expenses were covered by \$2,683,508 of direct charges to users in 2004.

The state and federal government contributed to the County revenues of \$10,549,989 in operating grants and contributions and \$1,902,565 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total, operating grants and contributions, \$5,492,869, or 52.07%, subsidized human services programs.

General revenues totaled \$12,515,018, and amounted to 42.69% of total revenues. These revenues primarily consist of property and sales tax revenue of \$10,074,735, or 80.50% of total general revenues in 2004. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with local government and local government revenue assistance making up \$1,094,021, or 8.74% of the total.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2004 and 2003. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted state grants and entitlements). As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

Governmental Activities – Program Revenues vs. Total Expenses



HOLMES COUNTY, OHIO

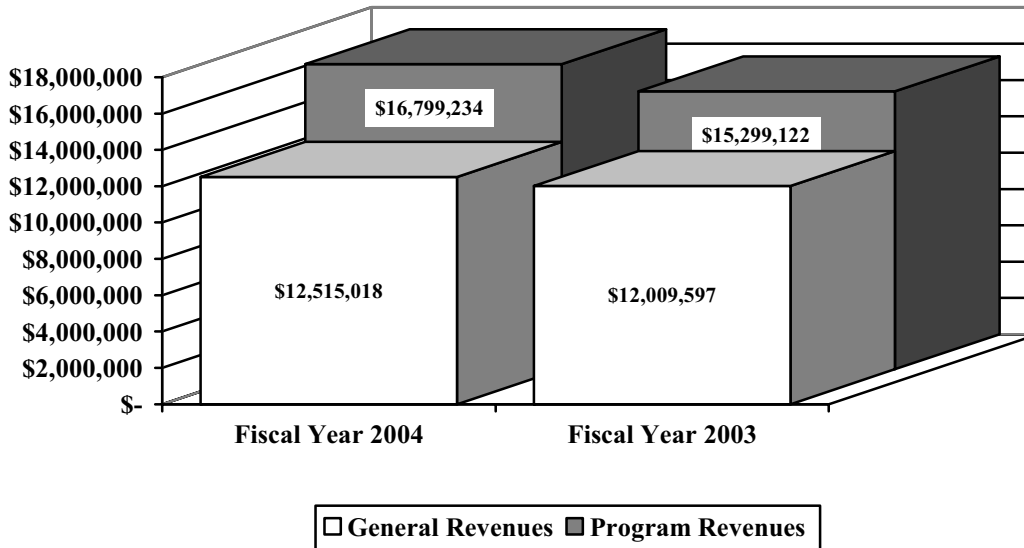
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Governmental Activities

	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Program Expenses:				
General government				
Legislative and executive	\$ 4,182,615	\$ 1,610,189	\$ 4,046,800	\$ 1,417,008
Judicial	1,850,754	1,458,282	1,604,791	1,254,251
Public safety	4,386,860	3,532,155	4,116,338	3,605,775
Public works	4,647,634	15,085	4,129,490	111,492
Health	199,602	74,333	172,457	63,696
Human services	10,732,872	4,462,008	10,816,474	3,376,705
Conservation and recreation	1,160,668	(790,281)	419,284	177,585
Intergovernmental	221,255	221,255	220,981	220,981
Other	59,724	59,724	880	880
Interest and fiscal charges	285,079	285,079	326,124	326,124
Total	\$ 27,727,063	\$ 10,927,829	\$ 25,853,619	\$ 10,554,497

The dependence upon general revenues for governmental activities is apparent, with 42.69% of expenses supported through taxes and other general revenues during 2004. The graph below illustrates the County's reliance upon general revenues.

Governmental Activities – General and Program Revenues



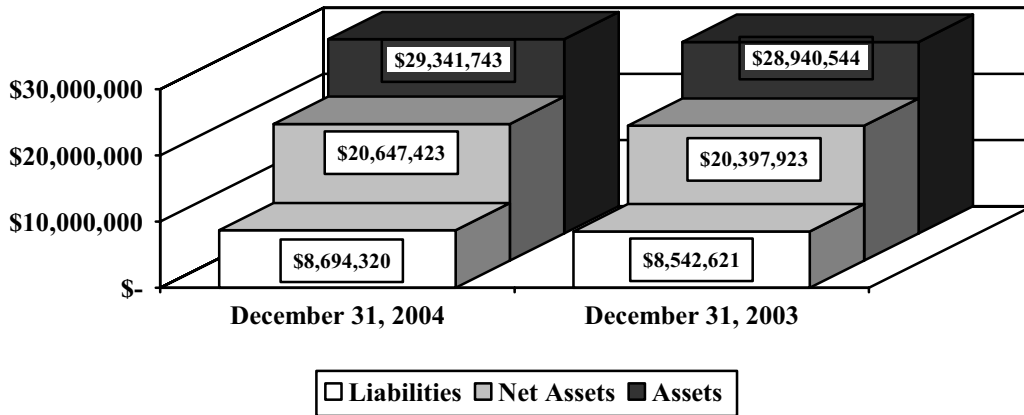
HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activities

The Sewer District, East Holmes Water, County Disposal and Joel Pomerene Hospital are the County's enterprise funds. These operations had program revenues of \$26,215,058, general revenues of \$64,191, and expenses of \$26,029,749 for fiscal year 2004. The net assets of the enterprise funds increased \$249,500 or 1.22% during 2004. The following graph illustrates the assets, liabilities and net assets of the County's business-type activities at December 31, 2004 and 2003:

Net Assets in Business – Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The County's governmental funds (as presented on the balance sheet on pages F22-F23) reported a combined fund balance of \$11,342,817, which is \$170,806 over last year's total of \$11,172,011. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2004 for all major and non-major governmental funds.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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	<u>Fund Balance</u> <u>December 31, 2004</u>	<u>Fund Balance</u> <u>December 31, 2003</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 1,512,459	\$ 1,413,694	\$ 98,765
County Board of MR/DD	1,824,525	1,612,828	211,697
Motor Vehicle License and Gas Tax	2,181,481	2,151,218	30,263
County Home	117,095	308,420	(191,325)
Rails-to-Trails	3,875	20,858	(16,983)
Other Nonmajor Governmental Funds	<u>5,703,382</u>	<u>5,664,993</u>	<u>38,389</u>
Total	<u>\$ 11,342,817</u>	<u>\$ 11,172,011</u>	<u>\$ 170,806</u>

General Fund

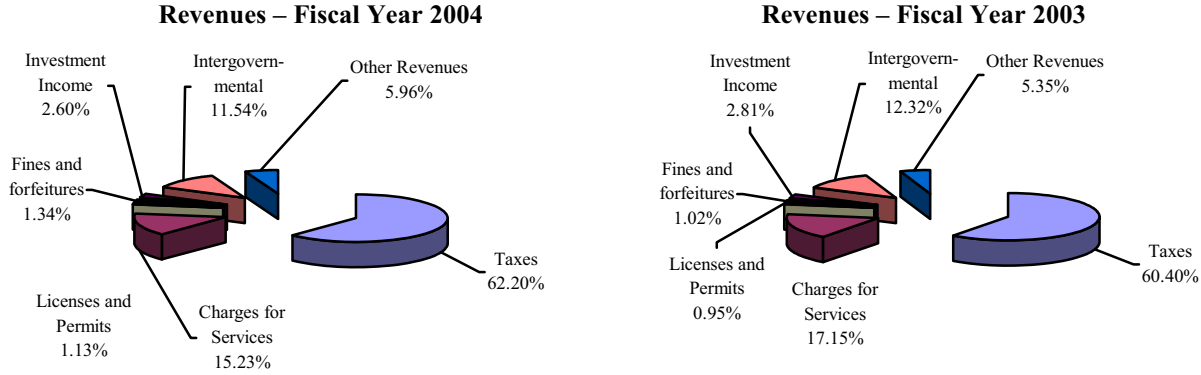
The County's General Fund balance increased \$98,765, primarily due to decreasing expenditures and increasing revenues. The table that follows assists in illustrating the revenues of the General Fund.

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 5,742,062	\$ 5,480,770	4.77 %
Charges for services	1,405,753	1,555,697	(9.64) %
Licenses and permits	104,766	85,818	22.08 %
Fines and forfeitures	123,843	92,260	34.23 %
Intergovernmental	1,065,181	1,117,551	(4.69) %
Investment income	240,263	255,327	(5.90) %
Other	<u>549,921</u>	<u>485,668</u>	13.23 %
Total	<u>\$ 9,231,789</u>	<u>\$ 9,073,091</u>	1.75 %

Tax revenue represents 62.20% of all General Fund revenue. Tax revenue increased slightly by 4.77% over prior year. The decrease in investment income is due to drastic cuts in interest rates by the Federal Reserve Bank throughout the year. The decrease in charges for services revenue is due to the County's decreased collections of charges for services. All other revenue remained comparable to 2003.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table that follows assists in illustrating the expenditures of the General Fund.

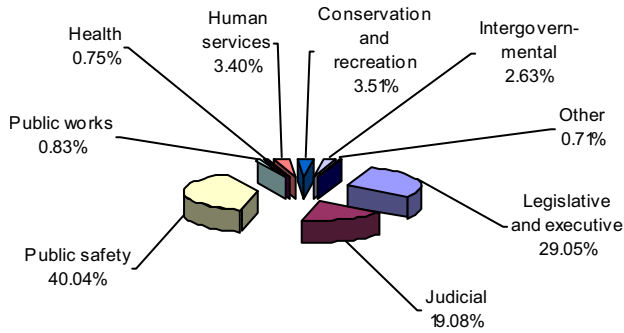
	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government			
Legislative and executive	\$ 2,446,055	\$ 2,549,786	(4.07) %
Judicial	1,606,825	1,539,556	4.37 %
Public safety	3,372,902	3,475,098	(2.94) %
Public works	69,983	34,085	105.32 %
Health	62,774	57,986	8.26 %
Human services	286,399	265,779	7.76 %
Conservation and recreation	295,328	336,800	(12.31) %
Intergovernmental	221,255	220,981	0.12 %
Other	59,724	880	6,686.82 %
Total	<u>\$ 8,421,245</u>	<u>\$ 8,480,951</u>	(0.70) %

The most significant increases were in the areas of other expenditures and public works. The increase in public works is primarily due to County road work. The decrease in general government legislative and executive and public safety is due to the County's control of expenditures. All other expenditures remained comparable to 2003.

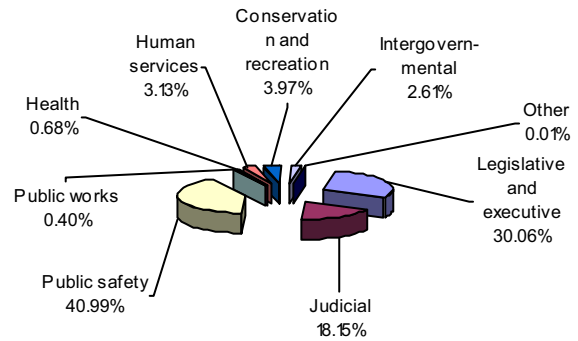
HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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Expenditures - Fiscal Year 2004



Expenditures - Fiscal Year 2003



County Board of MR/DD

The County Board of MR/DD fund, a major governmental fund, had revenues of \$5,072,397 in 2004, an increase of \$313,466 or 6.59% from 2003 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$4,860,700 in 2004, a decrease of \$45,798 or 0.93% from 2003. The decrease in expenditures, the increase in revenues, and decrease in transfers out contributed to the County Board of MR/DD fund balance increase of \$211,697 from 2003 to 2004.

Motor Vehicle License and Gas Tax Fund

The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$3,716,418 in 2004, an increase of \$476,968 or 14.72% from 2003 revenues. The motor vehicle license and gas tax fund, had expenditures of \$3,686,155 in 2004, an increase of \$379,314 or 11.47% from 2003. The larger increase in revenues and the smaller increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance increase of \$30,263 from 2003 to 2004.

County Home Fund

The County Home fund, a major governmental fund, had revenues of \$1,450,644 in 2004. The County Home fund, had expenditures of \$1,641,969 in 2004. The County Home fund balance decreased \$191,325 from 2003 to 2004.

Rails-to-Trails Fund

The Rails-to-Trails fund, a major governmental fund, had revenues and other financing sources of \$2,066,195 in 2004. The Rails-to-Trails fund, had expenditures of \$2,083,187 in 2004. The Rails-to-Trails fund balance decreased \$16,983 from 2003 to 2004.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Budgeting Highlights - General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the General Fund, County Board of MR/DD, Motor Vehicle License and Gas Tax, and County Home. In the General Fund, there were no significant changes between the original and final budget. Actual revenues and financing sources of \$9,104,192 exceeded final budgeted revenues and financing sources by \$666,809 or 7.90%. This increase is due to greater than anticipated receipts in sales tax revenue. The significant difference between the final budget and actual expenditures and financing uses was a \$319,529 or 3.33% decrease in expenditures. Actual expenditures and financing uses being lower than final budgeted expenditures and financing uses are a result of the County's conservative budgeting practices.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2004, the County had \$39,547,312 (net of accumulated depreciation) invested in land, buildings and improvements, furniture, fixtures and equipment, vehicles, construction in progress, sewer mains and infrastructure. Of this total, \$25,019,642 was reported in governmental activities and \$14,527,670 was reported in business-type activities. The following table shows fiscal 2004 balances compared to 2003:

**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 1,114,244	\$ 941,019	\$ 1,289,509	\$ 1,181,161	\$ 2,403,753	\$ 2,122,180
Building and improvements	11,604,517	12,051,738	5,880,282	6,417,813	17,484,799	18,469,551
Furniture, fixtures and equipment	578,845	384,299	4,750,383	4,493,893	5,329,228	4,878,192
Sub-specialty medical clinic	-	-	69,586	81,267	69,586	81,267
Vehicles	1,212,319	1,314,278	-	-	1,212,319	1,314,278
Infrastructure	9,219,682	9,151,891	-	-	9,219,682	9,151,891
Sewer/water lines	-	-	2,454,959	2,549,334	2,454,959	2,549,334
Construction in progress	1,290,035	-	82,951	82,951	1,372,986	82,951
Total	<u>\$ 25,019,642</u>	<u>\$ 23,843,225</u>	<u>\$ 14,527,670</u>	<u>\$ 14,806,419</u>	<u>\$ 39,547,312</u>	<u>\$ 38,649,644</u>

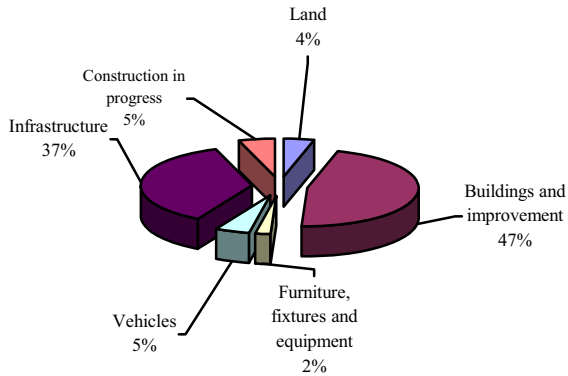
See Note 10 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

HOLMES COUNTY, OHIO

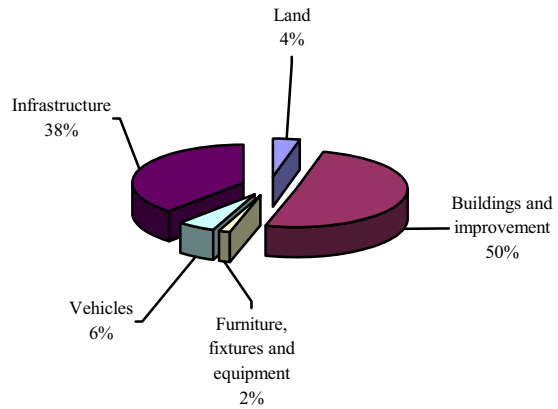
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

The following graphs show the breakdown of governmental capital assets by category for 2004 and 2003.

Capital Assets - Governmental Activities 2004



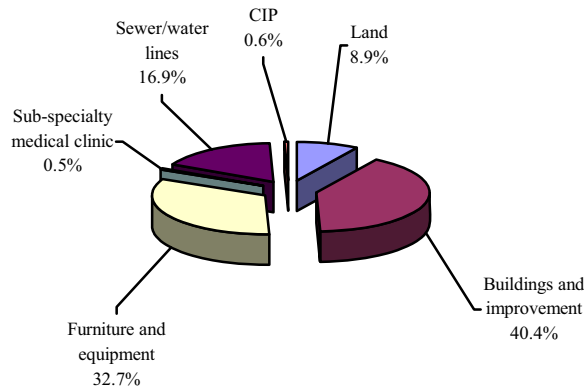
Capital Assets - Governmental Activities 2003



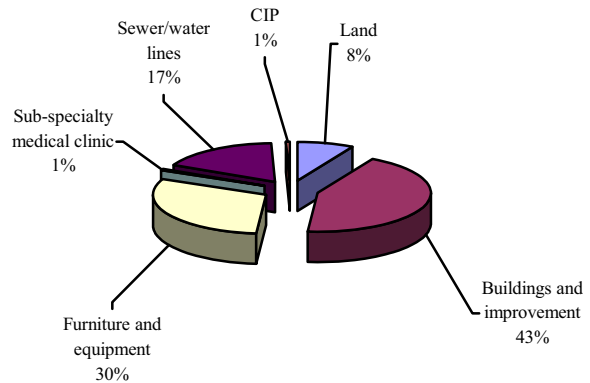
The County's second largest capital asset category is infrastructure which includes roads, bridges and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 37% of the County's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2004 and 2003.

Capital Assets - Business-Type Activities 2004



Capital Assets - Business-Type Activities 2003



The County's third largest business-type capital asset category is sewer mains. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's sewer and water lines (cost less accumulated depreciation) represents approximately 16.9% of the County's total business-type capital assets.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

Debt Administration

At December 31, 2004 the County had \$5,025,000 in general obligation bonds, \$161,696 in notes, \$3,509,335 in revenue bonds and OPWC loans of \$113,363 outstanding. Of this total, \$416,863 is due within one year and \$8,392,531 is due within greater than one year. The following table summarizes the bonds and loans outstanding.

	Outstanding Debt, at Year End			
	Governmental Activities <u>2004</u>	Business-Type Activities <u>2004</u>	Governmental Activities <u>2003</u>	Business-Type Activities <u>2003</u>
Long-Term Obligations				
General obligation bonds:	\$ 5,025,000	\$ -	\$ 5,322,000	\$ -
Rails-to-trails note	161,696	-	-	-
Revenue bonds	-	3,509,335	-	3,769,835
OPWC loans	<u>-</u>	<u>113,363</u>	<u>-</u>	<u>120,175</u>
Total	<u>\$ 5,186,696</u>	<u>\$ 3,622,698</u>	<u>\$ 5,322,000</u>	<u>\$ 3,890,010</u>

The County's voted legal debt margin was \$14,031,681 at December 31, 2004 and the unvoted legal debt margin was \$5,400,946 at December 31, 2004. See Note 14 to the basic financial statements for detail on governmental activities and business-type activities long-term obligations.

Economic Factors and Next Year's Budgets and Rates

The County's current population as of the 2000 census is 38,943.

The County's unemployment rate is currently 3.0%, compared to the 6.1% state average and the 6.1% national average.

These economic factors were considered in preparing the County's budget for fiscal year 2005. Budgeted revenues and other financing sources in the General Fund for fiscal year 2005 budget were \$9,534,144. With the continuation of conservative budgeting practices, the County's financial position should remain strong in future years.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Honorable Jackie McKee, Holmes County Auditor, Clinton Street Office Building, 75 E. Clinton Street, Suite 107, Millersburg, Ohio 44654.

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HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 9,632,147	\$ 906,144	\$ 10,538,291
Cash and cash equivalents in segregated accounts	18,693	1,268,162	1,286,855
Receivables (net of allowances for uncollectibles):			
Sales taxes	771,003	-	771,003
Real estate and other taxes	6,045,823	-	6,045,823
Accounts	199,395	4,420,592	4,619,987
Due from other governments.	3,755,086	-	3,755,086
Accrued interest	-	-	-
Notes and loans	-	173,606	173,606
Third party settlements.	-	140,319	140,319
Internal balances	378,213	(378,213)	-
Prepayments	58,316	595,413	653,729
Materials and supplies inventory.	439,378	400,794	840,172
Assets limited as to use	-	7,287,256	7,287,256
Capital assets:			
Land and construction in progress.	2,404,279	1,372,460	3,776,739
Depreciable capital assets, net.	22,615,363	13,155,210	35,770,573
Total capital assets.	25,019,642	14,527,670	39,547,312
Total assets.	46,317,696	29,341,743	75,659,439
Liabilities:			
Accounts payable.	369,393	479,912	849,305
Contracts payable.	756,524	866	757,390
Accrued wages and benefits	316,563	1,608,263	1,924,826
Due to other governments	257,056	25,891	282,947
Deferred revenue.	5,814,908	42,026	5,856,934
Accrued interest payable.	22,024	86,750	108,774
Other accrued expenses.	-	286,984	286,984
Long-term liabilities:			
Due within one year.	996,053	198,823	1,194,876
Due in more than one year	5,140,060	5,964,805	11,104,865
Total liabilities	13,672,581	8,694,320	22,366,901
Net assets:			
Invested in capital assets, net of related debt.	19,832,946	10,591,883	30,424,829
Restricted for:			
Capital projects	470,153	-	470,153
Debt service	160,098	-	160,098
Public works projects	3,372,982	-	3,372,982
Public safety programs.	1,467,054	-	1,467,054
Human services programs	4,505,207	-	4,505,207
Other purposes	939,672	-	939,672
Unrestricted	1,897,003	10,055,540	11,952,543
Total net assets.	\$ 32,645,115	\$ 20,647,423	\$ 53,292,538

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Component Units

Lynn Hope Industries, Incorporated	Holmes County Airport Authority	Regional Planning Commission
\$ -	\$ -	\$ 163,891
51,440	201,578	-
-	-	-
-	-	-
27,363	556	-
-	-	400
-	326	-
-	-	-
-	-	-
-	576	-
-	-	-
-	-	-
34,651	454,048	-
34,651	454,048	-
113,905	657,084	164,291
4,022	1,556	-
-	-	-
692	-	3,155
-	583	2,194
-	20,237	-
-	-	-
-	-	-
26,503	-	4,152
194,784	-	11,552
226,001	22,376	21,053
-	454,048	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(112,096)	180,660	143,238
\$ (112,096)	\$ 634,708	\$ 143,238

HOLMES COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government:				
Legislative and executive	\$ 4,182,615	\$ 2,360,126	\$ 212,300	\$ -
Judicial	1,850,754	323,382	69,090	-
Public safety	4,386,860	68,231	786,474	-
Public works	4,647,634	689,790	3,942,759	-
Health	199,602	125,269	-	-
Human services	10,732,872	777,995	5,492,869	-
Conservation and recreation	1,160,668	1,887	46,497	1,902,565
Intergovernmental	221,255	-	-	-
Other	59,724	-	-	-
Interest and fiscal charges	285,079	-	-	-
Total governmental activities	<u>27,727,063</u>	<u>4,346,680</u>	<u>10,549,989</u>	<u>1,902,565</u>
Business-Type Activities:				
Sewer District	729,803	694,613	-	-
County Disposal	491,614	86,002	-	-
Joel Pomerene Hospital	24,798,716	25,428,600	-	-
Nonmajor:				
East Holmes Water	9,616	5,843	-	-
Total business-type activities	<u>26,029,749</u>	<u>26,215,058</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 53,756,812</u>	<u>\$ 30,561,738</u>	<u>\$ 10,549,989</u>	<u>\$ 1,902,565</u>
Component Units:				
Lynn Hope Industries, Inc.	445,039	269,466	159,522	-
Holmes County Airport Authority	161,200	89,574	21,000	124,289
Regional Planning Commission	203,016	-	173,835	-
Total component units	<u>\$ 809,255</u>	<u>\$ 359,040</u>	<u>\$ 354,357</u>	<u>\$ 124,289</u>

General Revenues:

Property taxes levied for:

- General fund
- Human services - County Board of MR/DD
- Human services - County Home

Sales taxes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Lynn Hope Industries, Inc.	Holmes County Airport Authority	Regional Planning Commission
\$ (1,610,189)	\$ -	\$ (1,610,189)	\$ -	\$ -	\$ -
(1,458,282)	-	(1,458,282)	-	-	-
(3,532,155)	-	(3,532,155)	-	-	-
(15,085)	-	(15,085)	-	-	-
(74,333)	-	(74,333)	-	-	-
(4,462,008)	-	(4,462,008)	-	-	-
790,281	-	790,281	-	-	-
(221,255)	-	(221,255)	-	-	-
(59,724)	-	(59,724)	-	-	-
(285,079)	-	(285,079)	-	-	-
<u>(10,927,829)</u>	<u>-</u>	<u>(10,927,829)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(35,190)	(35,190)	-	-	-
-	(405,612)	(405,612)	-	-	-
-	629,884	629,884	-	-	-
-	(3,773)	(3,773)	-	-	-
<u>-</u>	<u>185,309</u>	<u>185,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(10,927,829)</u>	<u>185,309</u>	<u>(10,742,520)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(16,051)	-	-
-	-	-	-	73,663	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,181)</u>
-	-	-	(16,051)	73,663	(29,181)
2,003,708	-	2,003,708	-	-	-
2,931,130	-	2,931,130	-	-	-
870,284	-	870,284	-	-	-
4,269,613	-	4,269,613	-	-	-
1,094,021	-	1,094,021	-	-	-
269,905	46,129	316,034	363	4,722	-
1,076,357	18,062	1,094,419	-	82	603
<u>12,515,018</u>	<u>64,191</u>	<u>12,579,209</u>	<u>363</u>	<u>4,804</u>	<u>603</u>
1,587,189	249,500	1,836,689	(15,688)	78,467	(28,578)
<u>31,057,926</u>	<u>20,397,923</u>	<u>51,455,849</u>	<u>(96,408)</u>	<u>556,241</u>	<u>171,816</u>
<u>\$ 32,645,115</u>	<u>\$ 20,647,423</u>	<u>\$ 53,292,538</u>	<u>\$ (112,096)</u>	<u>\$ 634,708</u>	<u>\$ 143,238</u>

HOLMES COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	County Board of MR/DD	Motor Vehicle License and Gas Tax
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,168,025	\$ 1,881,422	\$ 1,726,755
Cash in segregated accounts	16,132	-	-
Receivables (net of allowance for uncollectibles):			
Sales taxes	680,022	-	8,914
Real estate and other taxes	2,120,283	3,043,785	-
Accounts	102,868	3,620	3,852
Loans to other funds	55,000	-	-
Due from other funds	12,832	-	-
Due from other governments	467,939	372,361	1,039,011
Prepayments	37,521	5,559	4,956
Materials and supplies inventory	58,922	6,017	326,414
Total assets	<u>\$ 4,719,544</u>	<u>\$ 5,312,764</u>	<u>\$ 3,109,902</u>
Liabilities:			
Accounts payable	\$ 107,012	\$ 50,769	\$ 6,897
Contracts payable	-	-	-
Accrued wages and benefits	111,786	73,576	41,063
Compensated absences payable	10,126	-	-
Loans from other funds	-	-	-
Due to other funds	-	2,995	-
Due to other governments	85,730	52,430	27,290
Deferred revenue	2,892,431	3,308,469	853,171
Total liabilities	<u>3,207,085</u>	<u>3,488,239</u>	<u>928,421</u>
Fund Balances:			
Reserved for encumbrances	3,085	-	-
Reserved for prepayments	37,521	5,559	4,956
Reserved for materials and supplies inventory	58,922	6,017	326,414
Reserved for loans	55,000	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for compensated absences reported in special revenue funds	-	-	-
Undesignated, reported in:			
General fund	1,357,931	-	-
Special revenue funds	-	1,812,949	1,850,111
Capital projects funds	-	-	-
Total fund balances	<u>1,512,459</u>	<u>1,824,525</u>	<u>2,181,481</u>
Total liabilities and fund balances	<u>\$ 4,719,544</u>	<u>\$ 5,312,764</u>	<u>\$ 3,109,902</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Rails-to-Trails	Other Governmental Funds	Total Governmental Funds
\$ 145,253	\$ -	\$ 4,710,692	\$ 9,632,147
-	2,561	-	18,693
-	-	82,067	771,003
881,755	-	-	6,045,823
36,889	-	52,166	199,395
-	-	378,213	433,213
-	-	2,995	15,827
44,716	756,524	1,074,535	3,755,086
4,290	-	5,990	58,316
26,303	1,314	20,408	439,378
<u>\$ 1,139,206</u>	<u>\$ 760,399</u>	<u>\$ 6,327,066</u>	<u>\$ 21,368,881</u>
\$ 52,423	\$ -	\$ 152,292	\$ 369,393
-	756,524	-	756,524
23,994	-	66,144	316,563
-	-	-	10,126
-	-	55,000	55,000
-	-	12,832	15,827
16,138	-	75,468	257,056
929,556	-	261,948	8,245,575
<u>1,022,111</u>	<u>756,524</u>	<u>623,684</u>	<u>10,026,064</u>
-	-	14,766	17,851
4,290	-	5,990	58,316
26,303	1,314	20,408	439,378
-	-	378,213	433,213
-	-	147,122	147,122
-	-	256,434	256,434
-	-	-	1,357,931
86,502	-	4,420,171	8,169,733
-	2,561	460,278	462,839
<u>117,095</u>	<u>3,875</u>	<u>5,703,382</u>	<u>11,342,817</u>
<u>\$ 1,139,206</u>	<u>\$ 760,399</u>	<u>\$ 6,327,066</u>	<u>\$ 21,368,881</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Total governmental fund balances		\$ 11,342,817
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,019,642
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 230,915	
Sales tax	328,403	
Intergovernmental revenues	1,769,227	
Interest revenue	26	
Fines and forfeitures	1,418	
Other revenues	64,918	
Charges for services	35,760	
	<hr/>	
Total		2,430,667
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(5,025,000)	
Note payable	(161,696)	
Compensated absences	(939,291)	
Accrued interest payable	(22,024)	
	<hr/>	
Total		<u>(6,148,011)</u>
Net assets of governmental activities		<u>\$ 32,645,115</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>
Revenues:			
Property taxes	\$ 2,000,179	\$ 2,923,989	\$ -
Sales taxes	3,741,883	-	-
Charges for services	1,405,753	71,159	-
Licenses and permits	104,766	-	-
Fines and forfeitures	123,843	-	32,309
Intergovernmental	1,065,181	2,039,840	3,561,130
Investment income	240,263	656	1,748
Rental income	11,784	-	-
Contributions and donations	-	-	-
Other	538,137	36,753	121,231
Total revenues	<u>9,231,789</u>	<u>5,072,397</u>	<u>3,716,418</u>
Expenditures:			
Current:			
General government:			
Legislative and executive	2,446,055	-	-
Judicial	1,606,825	-	-
Public safety	3,372,902	-	-
Public works	69,983	-	3,686,155
Health	62,774	-	-
Human services	286,399	4,805,700	-
Conservation and recreation	295,328	-	-
Intergovernmental	221,255	-	-
Other	59,724	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>8,421,245</u>	<u>4,805,700</u>	<u>3,686,155</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>810,544</u>	<u>266,697</u>	<u>30,263</u>
Other financing sources (uses):			
Notes issued	-	-	-
Transfers in	114,178	-	-
Transfers out	(825,957)	(55,000)	-
Total other financing sources (uses)	<u>(711,779)</u>	<u>(55,000)</u>	<u>-</u>
Net change in fund balances.	98,765	211,697	30,263
Fund balances at beginning of year.	<u>1,413,694</u>	<u>1,612,828</u>	<u>2,151,218</u>
Fund balances at end of year	<u>\$ 1,512,459</u>	<u>\$ 1,824,525</u>	<u>\$ 2,181,481</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Rails-to-Trails	Other Governmental Funds	Total Governmental Funds
\$ 868,749	\$ -	\$ -	\$ 5,792,917
-	-	558,182	4,300,065
446,141	1,887	1,496,135	3,421,075
-	-	325,809	430,575
-	-	112,911	269,063
85,188	1,879,258	4,788,369	13,418,966
-	47	27,165	269,879
41,555	-	136,030	189,369
-	23,307	-	23,307
9,011	-	316,601	1,021,733
<u>1,450,644</u>	<u>1,904,499</u>	<u>7,761,202</u>	<u>29,136,949</u>
-	-	1,289,671	3,735,726
-	-	203,808	1,810,633
-	-	919,672	4,292,574
-	-	844,879	4,601,017
-	-	114,709	177,483
1,641,969	-	4,126,800	10,860,868
-	-	45,135	340,463
-	-	-	221,255
-	-	-	59,724
-	1,885,130	368,258	2,253,388
-	191,348	297,000	488,348
-	6,700	279,660	286,360
<u>1,641,969</u>	<u>2,083,178</u>	<u>8,489,592</u>	<u>29,127,839</u>
<u>(191,325)</u>	<u>(178,679)</u>	<u>(728,390)</u>	<u>9,110</u>
-	161,696	-	161,696
-	-	890,957	1,005,135
-	-	(124,178)	(1,005,135)
<u>-</u>	<u>161,696</u>	<u>766,779</u>	<u>161,696</u>
(191,325)	(16,983)	38,389	170,806
308,420	20,858	5,664,993	11,172,011
<u>\$ 117,095</u>	<u>\$ 3,875</u>	<u>\$ 5,703,382</u>	<u>\$ 11,342,817</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds	\$	170,806
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,753,125) exceeded depreciation expense (\$1,522,987) in the current period.		1,230,138
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(53,721)
Proceeds of notes are other financing sources in the governmental funds, but increase liabilities in governmental activities.		(161,696)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		177,303
Repayment of bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		297,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		1,281
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(73,922)</u>
Change in net assets of governmental activities	\$	<u><u>1,587,189</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 1,858,500	\$ 1,942,781	\$ 1,994,285	\$ 51,504
Sales taxes.	3,450,000	3,450,000	3,654,494	204,494
Charges for services.	1,231,660	1,151,160	1,277,501	126,341
Licenses and permits	97,375	97,375	104,766	7,391
Fines and forfeitures	94,500	94,500	111,430	16,930
Intergovernmental.	876,301	971,301	1,065,074	93,773
Investment income	250,000	250,000	242,043	(7,957)
Rental income.	14,200	14,200	12,284	(1,916)
Other	335,935	439,817	528,137	88,320
Total revenues.	<u>8,208,471</u>	<u>8,411,134</u>	<u>8,990,014</u>	<u>578,880</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	4,330,547	4,585,299	4,149,704	435,595
Judicial.	1,055,500	1,098,043	1,064,283	33,760
Public safety	2,219,235	2,308,683	2,304,505	4,178
Public works	67,196	69,904	69,696	208
Health	62,158	64,663	62,774	1,889
Human services	203,735	211,947	211,947	-
Conservation and recreation	284,003	295,450	295,328	122
Other	71,974	74,875	59,724	15,151
Intergovernmental	221,255	221,255	221,255	-
Total expenditures	<u>8,515,603</u>	<u>8,930,119</u>	<u>8,439,216</u>	<u>490,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,132)</u>	<u>(518,985)</u>	<u>550,798</u>	<u>1,069,783</u>
Other financing sources (uses):				
Transfers in.	5,640	26,249	114,178	87,929
Transfers out	(741,588)	(654,583)	(825,957)	(171,374)
Total other financing sources (uses)	<u>(735,948)</u>	<u>(628,334)</u>	<u>(711,779)</u>	<u>(83,445)</u>
Net change in fund balance.	(1,043,080)	(1,147,319)	(160,981)	986,338
Fund balance at beginning of year	1,217,145	1,217,145	1,217,145	-
Prior year encumbrances appropriated	<u>53,185</u>	<u>53,185</u>	<u>53,185</u>	<u>-</u>
Fund balance at end of year	<u>\$ 227,250</u>	<u>\$ 123,011</u>	<u>\$ 1,109,349</u>	<u>\$ 986,338</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF MR/DD
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,826,880	\$ 2,826,880	\$ 2,911,722	\$ 84,842
Charges for services	59,500	59,500	71,159	11,659
Intergovernmental	1,996,610	1,996,610	1,997,663	1,053
Investment income	500	500	656	156
Other	6,500	46,500	36,994	(9,506)
Total revenues	<u>4,889,990</u>	<u>4,929,990</u>	<u>5,018,194</u>	<u>88,204</u>
Expenditures:				
Current:				
Human services	<u>5,230,316</u>	<u>5,266,655</u>	<u>4,928,670</u>	<u>337,985</u>
Total expenditures	<u>5,230,316</u>	<u>5,266,655</u>	<u>4,928,670</u>	<u>337,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(340,326)</u>	<u>(336,665)</u>	<u>89,524</u>	<u>426,189</u>
Other financing sources (uses):				
Transfers in	42,291	42,291	-	(42,291)
Transfers out	<u>(89,762)</u>	<u>(93,291)</u>	<u>(55,000)</u>	<u>38,291</u>
Total other financing sources (uses)	<u>(47,471)</u>	<u>(51,000)</u>	<u>(55,000)</u>	<u>(4,000)</u>
Net change in fund balance.	(387,797)	(387,665)	34,524	422,189
Fund balance at beginning of year	<u>1,770,746</u>	<u>1,770,746</u>	<u>1,770,746</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,382,949</u>	<u>\$ 1,383,081</u>	<u>\$ 1,805,270</u>	<u>\$ 422,189</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE AND GAS TAX
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 32,625	\$ (3,375)
Intergovernmental	3,614,510	3,744,510	3,566,575	(177,935)
Other	50,000	50,000	121,745	71,745
Total revenues	<u>3,700,510</u>	<u>3,830,510</u>	<u>3,720,945</u>	<u>(109,565)</u>
Expenditures:				
Current:				
Public works.	5,435,055	5,312,575	3,895,238	1,417,337
Total expenditures	<u>5,435,055</u>	<u>5,312,575</u>	<u>3,895,238</u>	<u>1,417,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,734,545)</u>	<u>(1,482,065)</u>	<u>(174,293)</u>	<u>1,307,772</u>
Other financing sources:				
Transfers in	10,000	10,000	-	(10,000)
Total other financing sources.	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance.	(1,724,545)	(1,472,065)	(174,293)	1,297,772
Fund balance at beginning of year	1,724,545	1,724,545	1,724,545	-
Prior year encumbrances appropriated	<u>174,755</u>	<u>174,755</u>	<u>174,755</u>	<u>-</u>
Fund balance at end of year	<u>\$ 174,755</u>	<u>\$ 427,235</u>	<u>\$ 1,725,007</u>	<u>\$ 1,297,772</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY HOME
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 846,700	\$ 846,700	\$ 866,048	\$ 19,348
Charges for services	470,000	470,000	437,525	(32,475)
Intergovernmental	82,000	82,000	85,188	3,188
Rental income	42,928	42,928	41,165	(1,763)
Other	8,000	8,000	9,011	1,011
Total revenues	<u>1,449,628</u>	<u>1,449,628</u>	<u>1,438,937</u>	<u>(10,691)</u>
Expenditures:				
Current:				
Human services	<u>1,724,500</u>	<u>1,724,500</u>	<u>1,629,339</u>	<u>95,161</u>
Total expenditures	<u>1,724,500</u>	<u>1,724,500</u>	<u>1,629,339</u>	<u>95,161</u>
Net change in fund balance.	(274,872)	(274,872)	(190,402)	84,470
Fund balance at beginning of year	<u>318,856</u>	<u>318,856</u>	<u>318,856</u>	<u>-</u>
Fund balance at end of year	<u>\$ 43,984</u>	<u>\$ 43,984</u>	<u>\$ 128,454</u>	<u>\$ 84,470</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS
 ENTERPRISE FUNDS
 DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 874,400	\$ 28,356	\$ -	\$ 3,388
Cash and cash equivalents in segregated accounts	-	-	1,268,162	-
Receivables (net of allowance for uncollectibles):				
Accounts	60,240	34,764	4,324,232	1,356
Notes and loans	173,606	-	-	-
Third party settlements	-	-	140,319	-
Materials and supplies inventory	-	-	400,794	-
Current portion of assets limited as to use.	-	-	94,957	-
Prepayments.	-	-	595,413	-
Total current assets	<u>1,108,246</u>	<u>63,120</u>	<u>6,823,877</u>	<u>4,744</u>
Noncurrent assets:				
Assets limited as to use, net of current portion	-	-	7,192,299	-
Capital assets:				
Land and construction in progress	10,100	368,540	993,820	-
Depreciable capital assets, net	4,756,814	-	8,398,396	-
Total noncurrent assets	<u>4,766,914</u>	<u>368,540</u>	<u>16,584,515</u>	<u>-</u>
Total assets	<u>5,875,160</u>	<u>431,660</u>	<u>23,408,392</u>	<u>4,744</u>
Liabilities:				
Current liabilities:				
Accounts payable.	9,911	3,505	466,496	-
Contracts payable.	866	-	-	-
Accrued wages and benefits	3,945	953	1,603,365	-
Compensated absences payable.	11,522	2,915	-	-
Other accrued expenses.	-	-	286,984	-
Due to other governments	5,694	20,197	-	-
Loans from other funds.	370,213	-	-	8,000
Accrued interest payable.	86,750	-	-	-
Deferred revenue.	6,589	26,957	8,330	150
Current portion of revenue bonds payable	34,000	-	55,000	-
Current portion of OPWC loan payable	6,812	-	-	-
Current portion of capital lease obligation	13,284	-	75,290	-
Total current liabilities	<u>549,586</u>	<u>54,527</u>	<u>2,495,465</u>	<u>8,150</u>
Long-term liabilities:				
Revenue bonds payable	2,568,500	-	851,835	-
Capital lease obligation	28,816	-	195,699	-
Landfill closure and postclosure care liability	-	2,213,404	-	-
OPWC loan payable	106,551	-	-	-
Total long-term liabilities.	<u>2,703,867</u>	<u>2,213,404</u>	<u>1,047,534</u>	<u>-</u>
Total liabilities	<u>3,253,453</u>	<u>2,267,931</u>	<u>3,542,999</u>	<u>8,150</u>
Net assets:				
Invested in capital assets, net of related debt.	2,008,951	368,540	8,214,392	-
Unrestricted	612,756	(2,204,811)	11,651,001	(3,406)
Total net assets	<u>\$ 2,621,707</u>	<u>\$ (1,836,271)</u>	<u>\$ 19,865,393</u>	<u>\$ (3,406)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$	906,144
	1,268,162
	4,420,592
	173,606
	140,319
	400,794
	94,957
	595,413
	<u>7,999,987</u>
	7,192,299
	1,372,460
	<u>13,155,210</u>
	<u>21,719,969</u>
	<u>29,719,956</u>
	479,912
	866
	1,608,263
	14,437
	286,984
	25,891
	378,213
	86,750
	42,026
	89,000
	6,812
	88,574
	<u>3,107,728</u>
	3,420,335
	224,515
	2,213,404
	106,551
	<u>5,964,805</u>
	<u>9,072,533</u>
	10,591,883
	<u>10,055,540</u>
\$	<u><u>20,647,423</u></u>

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Operating revenues:				
Charges for services	\$ 694,613	\$ -	\$ 25,119,172	\$ 5,843
Royalties and fees	-	86,002	-	-
Other.	-	-	309,428	2,250
Total operating revenues	<u>694,613</u>	<u>86,002</u>	<u>25,428,600</u>	<u>8,093</u>
Operating expenses:				
Personal services	185,713	53,282	12,909,673	-
Contract services	191,766	32,075	-	9,616
Materials and supplies	17,756	-	7,364,919	-
Depreciation	195,622	-	1,133,830	-
Provision for bad debts	-	-	1,017,096	-
Physician recruiting and incentive.	-	-	562,402	-
Medical professional fees	-	-	1,715,179	-
Landfill closure and postclosure care costs	-	406,257	-	-
Other.	2,563	-	-	-
Total operating expenses.	<u>593,420</u>	<u>491,614</u>	<u>24,703,099</u>	<u>9,616</u>
Operating income (loss)	<u>101,193</u>	<u>(405,612)</u>	<u>725,501</u>	<u>(1,523)</u>
Nonoperating revenues (expenses):				
Interest revenue	10,611	-	-	-
Interest expense and fiscal charges	(136,383)	-	(95,617)	-
Net Nonoperating income.	-	-	56,093	-
NE Network grant - Net.	-	-	(40,281)	-
Change in fair value of investments.	-	-	35,518	-
Total nonoperating revenues (expenses)	<u>(125,772)</u>	<u>-</u>	<u>(44,287)</u>	<u>-</u>
Change in net assets.	(24,579)	(405,612)	681,214	(1,523)
Net assets (deficit) at beginning of year.	<u>2,646,286</u>	<u>(1,430,659)</u>	<u>19,184,179</u>	<u>(1,883)</u>
Net assets (deficit) at end of year	<u>\$ 2,621,707</u>	<u>\$ (1,836,271)</u>	<u>\$ 19,865,393</u>	<u>\$ (3,406)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

	Total
\$	25,819,628
	86,002
	<u>311,678</u>
	<u>26,217,308</u>
	13,148,668
	233,457
	7,382,675
	1,329,452
	1,017,096
	562,402
	1,715,179
	406,257
	<u>2,563</u>
	<u>25,797,749</u>
	<u>419,559</u>
	10,611
	(232,000)
	56,093
	(40,281)
	<u>35,518</u>
	<u>(170,059)</u>
	249,500
	<u>20,397,923</u>
\$	<u><u>20,647,423</u></u>

HOLMES COUNTY, OHIO

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Cash flows from operating activities:				
Cash received from sales/service charges	\$ 692,326	\$ -	\$ 24,705,697	\$ 4,637
Cash received from royalties and fees	-	79,338	-	-
Cash received from other operating revenue	-	-	309,428	2,250
Cash payments for personal services	(188,440)	(54,727)	(12,986,490)	-
Cash payments for contract services	(198,379)	(30,104)	(9,865,253)	(9,616)
Cash payments for materials and supplies	(17,556)	-	-	-
Cash payments for other expenses.	(2,563)	-	-	-
Net cash provided by (used for) operating activities . .	285,388	(5,493)	2,163,382	(2,729)
Cash flows from noncapital financing activities:				
Cash received from interfund loans.	75,000	-	-	-
Cash payments for interfund loans	(75,000)	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(27,908)	-	(1,063,076)	-
Principal payments on capital lease obligations	(12,588)	-	(72,163)	-
Interest payments on capital lease obligations.	(2,816)	-	-	-
Principal payments on bonds and loans	(213,312)	-	(54,000)	-
Interest payments on bonds and loans	(140,450)	-	(95,617)	-
Net cash provided by (used in) capital and related financing activities	(397,074)	-	(1,284,856)	-
Cash flows from investing activities:				
Cash received from interest	10,611	-	96,374	-
Net cash provided by purchases and maturities of investments.	-	-	(1,106,538)	-
Repayments from notes receivable	11,953	-	-	-
Advances to physicians	-	-	6,382	-
Net cash provided by (used in) investing activities. . .	22,564	-	(1,003,782)	-
Net increase (decrease) in cash and cash equivalents	(89,122)	(5,493)	(125,256)	(2,729)
Cash and cash equivalents at beginning of year	963,522	33,849	5,028,614	6,117
Cash and cash equivalents at end of year.	<u>\$ 874,400</u>	<u>\$ 28,356</u>	<u>\$ 4,903,358</u>	<u>\$ 3,388</u>
Cash and cash equivalents include the following:				
Cash and cash equivalents	874,400	28,356	1,268,162	3,388
Assets limited as to use cash and cash equivalents:				
Board designated for future capital improvements	-	-	3,592,027	-
Funds available for future construction and equipment	-	-	43,270	-
Total cash and cash equivalents.	<u>\$ 874,400</u>	<u>\$ 28,356</u>	<u>\$ 4,903,459</u>	<u>\$ 3,388</u>

Total

\$ 25,402,660
79,338
311,678
(13,229,657)
(10,103,352)
(17,556)
(2,563)

2,440,548

75,000
(75,000)

-

(1,090,984)
(84,751)
(2,816)
(267,312)
(236,067)

(1,681,930)

106,985
(1,106,538)
11,953
6,382
(981,218)

(222,600)

6,032,102
\$ 5,809,502

2,174,306

3,592,027
43,270
\$ 5,809,603

-- continued

HOLMES COUNTY, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 101,193	\$ (405,612)	\$ 725,501	\$ (1,523)
Adjustments:				
Depreciation	195,622	-	1,133,830	-
Bad debt expense	-	-	1,017,096	-
Changes in assets and liabilities:				
Increase in accounts receivable	(8,876)	(33,621)	(369,587)	(1,356)
Increase in third party settlements	-	-	(43,888)	-
Increase in prepayments	-	-	(381,146)	-
Increase in accounts payable	4,041	1,971	124,774	-
Decrease in accrued expenses	-	-	(53,798)	-
Decrease in inventories	-	-	2,270	-
Decrease in contracts payable	(10,654)	-	-	-
Decrease in accrued wages and benefits	(2,872)	(1,034)	-	-
Increase in landfill closure and postclosure care liability	-	406,257	-	-
Decrease in due to other governments	(752)	(273)	-	-
Increase (decrease) in compensated absences payable	1,097	(138)	-	-
Increase in deferred revenue	6,589	26,957	8,330	150
Net cash provided by (used in) operating activities	<u>\$ 285,388</u>	<u>\$ (5,493)</u>	<u>\$ 2,163,382</u>	<u>\$ (2,729)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ 419,559

1,329,452

1,017,096

(413,440)

(43,888)

(381,146)

130,786

(53,798)

2,270

(10,654)

(3,906)

406,257

(1,025)

959

42,026

\$ 2,440,548

HOLMES COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2004

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,594,312
Cash in segregated accounts	1,110,916
Receivables:	
Real estate and other taxes	25,257,778
Accounts	108,013
Due from other governments	<u>858,785</u>
Total assets	<u>\$ 29,929,804</u>
Liabilities:	
Due to other governments.	\$ 747,180
Accounts payable	23,579
Undistributed monies	<u>29,159,045</u>
Total liabilities	<u>\$ 29,929,804</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - DESCRIPTION OF THE COUNTY

Holmes County, Ohio (the "County"), was created in 1825. The County is governed by a Board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body and the chief administrators of public services for the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the County Auditor, Clerk of Courts, Treasurer, Prosecuting Attorney, Coroner, Engineer, Common Pleas Judge, probate and Juvenile Judge, County Court Judge, Sheriff, and Recorder. Although these elected officials manage the internal operations of their respective department, the County Commissioners serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the County have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The County has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The County has elected not to apply these FASB Statements and Interpretations.

The Joel Pomerene Hospital enterprise fund's financial information is presented in conformity with generally accepted accounting principles as recommended in the Audit Guide (Health Care Organizations) published by the American Institute of Certified Public Accountants. The Hospital applies the provisions of all relevant pronouncements, including those issued after November 30, 1989.

The most significant of the County's accounting policies are described below.

A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB statement No. 39 "Determining Whether Certain Organizations are Component Units". The basic financial statements include all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of the PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Based on the foregoing criteria, the financial activities of the following PCUs have been reflected in the accompanying basic financial statements as:

DISCRETELY PRESENTED COMPONENT UNITS

Holmes County Regional Planning Commission (Commission)

The Commission is governed by an eleven member board, of which seven are appointed by the County. The Commission imposes a financial burden on the County; therefore, the Commission has been included as a component unit of the County. Separate financial statements can be obtained from the Commission, County Administration Building, Millersburg, Ohio 44654.

Holmes County Airport Authority (Airport Authority)

The Airport board consists of seven members which are appointed by the County Commissioners of Holmes County. The Airport Authority imposes a financial burden on the County; therefore, the Airport Authority is a component unit of the County. Separate financial statements can be obtained from Holmes County Airport Authority, County Administration Building, Millersburg, Ohio 44654.

Lynn Hope Industries, Inc. (Workshop)

The Workshop is a legally separate, not-for-profit corporation, (organized under Section 501 (c) (3) of the Internal Revenue Code) served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Holmes County Board of Mental Retardation and Developmentally Disabled (MRDD), provides sheltered employment for mentally retarded or handicapped adults in Holmes County. The Holmes County Board of MRDD provides the Workshop with some expenses and personnel for operation of the Workshop including staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, various financial reporting, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of Holmes County, the Workshop is reflected as a component unit of the County. Separately issued financial statements can be obtained from Lynn Hope Industries, Inc. of Holmes County, Holmesville, Ohio 44633.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component units is identified in Notes 25, 26 and 27.

POTENTIAL COMPONENT UNITS REPORTED AS AGENCY FUNDS

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of several separate agencies, boards and commissions, the County serves as fiscal agent but the organizations are not considered part of Holmes County. Accordingly, the activity of the following entities is presented as agency funds within Holmes County's financial statements: District Board of Health and Soil and Water Conservation.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINT VENTURES WITHOUT EQUITY INTEREST

Alcohol, Drug Addiction and Mental Health Services Board of Wayne and Holmes Counties (Board)

The Board, a joint venture of Wayne and Holmes County, has the responsibility for the development, funding, monitoring and evaluating of community based mental health programs. The Board is controlled by a joint board of trustees whose membership consists of five appointees of the State Board of mental Health, eight appointees of the Wayne County Commissioners, and two appointees of the Holmes County Commissioners. The Board exercises total control of the operations of the Board, including budgeting, appropriating, contracting, and designating management. Continued existence of the Board is dependent on the County's continued participation; however, the County does not have an equity interest in the Board. The Board is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the County. A joint county property tax levy accounts for twenty-five percent of the Board's revenue. The County makes no additional contributions to the Board and has no approval authority over the tax levy. Complete financial statements for the Board can be obtained from The Alcohol, Drug Addiction and Mental Health Services Board, Holmes County, Ohio.

JOINTLY GOVERNED ORGANIZATIONS

Multi-County Juvenile Attention Center (Center)

The Multi-County Juvenile Attention Center is a jointly governed organization among Holmes, Tuscarawas, Carroll, Wayne, Stark and Columbiana Counties formed for the purpose of providing facilities for the training, treatment, and rehabilitation of delinquent, dependent, abused or neglected children. The operation of the Center is controlled by a joint board of commissioners whose membership consists of the three commissioners from each participating county. The board exercises total control over the operation of the Center including budgeting, appropriating, contracting and designating management. Budgets are adopted by the governing board of commissioners. Each County's degree of control is limited to its representation on the board. In 2004, the County contributed \$191,683 to the Center.

Stark Regional Community Corrections Center (SRCCC)

The SRCCC is a community based corrections facility that provides residents of the facility with educational, vocational, substance abuse and support counseling services. The facility is administered by a Judicial Corrections Board consisting of eleven common pleas court judges. The members consist of one judge from Holmes County, two judges each from Wayne and Tuscarawas Counties, and six judges from Stark County. The Board adopts its own budget, authorizes expenditures and hires and fires its own staff. SRCCC did not receive any funding from the County during 2004.

Holmes County Family First Council (Council)

The mission of the Council is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of 18 individuals from various organizations including 5 from the County.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PUBLIC ENTITY RISK POOLS

County Risk Sharing Authority, Inc. (CORSA)

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County's payment for insurance to CORSA in 2004 was \$179,077.

Financial statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a county commissioner.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

RELATED ORGANIZATIONS

Holmes County Public Library (Library)

The Library provides services aimed at enriching the lives of the citizens of the County through an informed and connected community. The County appoints the governing board of the Library; however, the County cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden on the County. The County serves in a ministerial capacity as taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the determination of its rate and duration, the County must place the levy on the ballot. The Library determines its own budget. The Library did not receive funding from the County in 2004.

Holmes County Park District (District)

The District provides conservation and recreation programs for the benefit of the County's citizens. The three Park District Commissioners are appointed by the Probate Judge of the County. The District hires and fires its own staff, and does not rely on the County to finance deficits. The County is not financially accountable for the District or is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority. The District did not receive any funding from the County in 2004.

Northeast Ohio Outreach Network (Network)

The Network is controlled by three area hospitals, one of which is Joel Pomerene Memorial Hospital. The Network was established to receive federal grant monies from the U.S. Department of Housing and Urban Development (HUD). Funds are distributed to the Hospital directly from HUD as determined by the Network.

B. Fund Accounting

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

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

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

Motor Vehicle License and Gas Tax - This fund accounts for revenues derived from motor vehicle licenses, and gasoline taxes. Expenditures are restricted by State law to County road and bridge repair and maintenance programs.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

County Board of Mental Retardation and Developmentally Disabled (MR/DD) - This fund accounts for the operation of a school and resident homes for the mentally retarded and developmentally disabled. Revenue sources include a property tax levy and federal/state grants.

County Home - This fund accounts for room and board fees and property tax monies used for the operations of the county home.

Rails-to-Trails - To account for donations and federal grant revenues to facilitate the conservation of railroad rights-of-way and similar linear resources by acquisition, conversion and operation of such holdings to trail use for the general public.

Other governmental funds of the County are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) for the accumulation of resources for, and the repayment of, general long-term debt principal, interest and related costs and (c) for grants and other resources, the use of which is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The County has no internal service funds.

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

Sewer District - This fund accounts for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of Holmes County. The costs of providing these services are financed primarily through user charges. The Sanitary Sewer District has its own facilities and rate structure.

County Disposal - This fund accounts for the \$2.00/ton royalty fee and expenses associated with the landfill, including landfill inspector, ground water monitoring and other landfill issues.

Joel Pomerene Hospital - This fund accounts for the operations of the hospital.

The County has one nonmajor enterprise fund that is used to account for water services provided to the East Holmes Industrial Park.

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements - Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's proprietary funds are charges for services and fees. Operating expenses for the enterprise fund include personnel and other expenses related to the operations of the enterprise activity. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from all other nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (See Note 7.A.), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

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

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met also are recorded as deferred revenue.

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

E. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department and fund.

Budgetary information for the Rails-to-Trails capital projects fund, Joel Pomerene Hospital enterprise fund, and the Lynn Hope Industries Inc., Regional Planning Commission and Holmes County Airport Authority (component units) are not reported because they are not included in the entity for which the "appropriated budget" is adopted.

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted. The expressed purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official Certificate of Estimated Resources, which states the projected revenue of each fund.

On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the final amended certificate issued during 2004.

Appropriations - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2004 are included in the final budget amounts in the budget-to-actual comparisons.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

F. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During 2004, investments were limited to certificates of deposit, mutual funds, common stock, and the State Treasury Asset Reserve of Ohio (STAR Ohio). The nonnegotiable certificates of deposit are nonparticipating investment contracts which are reported at cost. The investments in mutual funds and common stock are reported at fair value. The common stock, with a cost of \$47,837 and fair value of \$331,640 is not traded on a quoted market; therefore, the year end fair value is determined as the average of the high and low sales price for the last quarter of 2004. For the money market mutual fund, fair value is determined by the fund's share price at December 31, 2004. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2004.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$240,263 which includes \$217,179 assigned from other County funds.

The County has segregated bank accounts for monies held separately from the County's central bank account. These interest-bearing depository accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County treasury.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Patient Accounts Receivable and Revenue

The Joel Pomerene Hospital enterprise fund records a receivable and charges for services revenue when patient services are performed. Net charges for services are reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. In 2004, approximately 32 percent of the Hospital's total patient revenue was derived from Medicare payments while 10 percent was derived from Medicaid payments. Additionally, approximately 19 percent of the Hospital's total patient revenue was derived from individual self-payments in 2004. The remaining revenue was derived primarily from commercial insurance payments.

H. Inventories of Materials and Supplies

On the government-wide and governmental and proprietary fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

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

Inventories of the Hospital are stated at the lower of cost or market value determined by the first-in, first-out method and is expensed when used.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets are depreciated except for land and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets.

The Joel Pomerene Hospital reports its capital assets with the Business-Type Activities; however, they maintain a capitalization threshold of \$500 and use different useful lives. Capital assets reported by the Hospital include land, construction in progress, building and fixed equipment, moveable inventory, sub-specialty medical equipment, and a modular medical office building. The Hospital does not possess any infrastructure. Depreciation is computed using the straight-line method. Equipment under capital lease is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The County maintained a capitalization threshold of \$2,500 during 2004. The County’s infrastructure consists of roads, bridges, culverts and sanitary sewers. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacements. The County depreciates its capital assets using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Improvements other than buildings	10 - 20 years	10 - 20 years
Buildings and improvements	20 - 40 years	20 - 40 years
Furniture, fixtures, machinery and equipment	4 - 7 years	5 years
Vehicles	10 years	10 years
Sewer/water lines	-	40 years
Infrastructure	20 - 50 years	20 - 50 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The County’s policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period.

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2004, the net interest expense incurred on proprietary fund construction projects was not material.

J. Compensated Absences

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at December 31, 2004, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Sick leave benefits are accrued using the “Vesting” method. The County records a liability for accumulated unused sick leave for employees after 13 years of current service.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2004, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of 4.60 hours per 80 hours worked. Vacation and sick leave are accumulated on an hours worked basis. Vacation pay is vested after one year and sick pay upon eligibility for retirement. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures in the fund financial statements to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported in the governmental fund financial statements. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

L. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability in the fund financial statements when due.

M. Third-Party Settlements

The Joel Pomerene Hospital enterprise fund has agreements with Medicare and Medicaid that provide for reimbursement at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Joel Pomerene Hospital enterprise fund's established rates for services and amounts reimbursed by third-party payers. The Hospital has reached final settlement with Medicare through 2002 and Medicaid through 1999.

N. Bond Issuance Costs

Bond issuance costs for governmental activities are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond issuance costs are recorded as deferred charges, which is included in other assets on the statement of net assets.

O. Assets Limited as to Use

Assets limited as to use consist of invested funds designated for future capital improvements, funds invested in accordance with agreements with a third-party, and funds held by trustees under indenture agreements.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Interfund Transactions

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

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/interfund payable" for the current portion of interfund loans to/from other funds for the non-current portion of interfund loans. All other outstanding balances outstanding between funds are reported as "due to/from other funds." These amounts are eliminated in the Statement of Net Assets, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances".

Loans between funds, as reported in the governmental fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Q. Fund Balance Reserves and Designations

Reserved or designated fund balances indicate that a portion of fund equity is not available for current appropriation or use. The unreserved or undesignated portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The County reports amounts representing encumbrances outstanding, prepayments, materials and supplies inventories, loans and debt service as reservations of fund balance in the governmental funds. The County reports amounts set-aside by the County Commissioners for possible contingencies related to future compensated absence liabilities as a designation of fund balance in a special revenue fund.

R. Charity Care

The Joel Pomerene Hospital enterprise fund maintains a policy whereby care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2004.

U. Estimates

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

NOTE 3 - ACCOUNTABILITY AND CHANGE IN ACCOUNTING PRINCIPLES

A. Deficit Fund Balances/Net Assets

	<u>Deficit</u>
<u>Major Funds</u>	
County Disposal	\$ 1,836,271
<u>Nonmajor Enterprise Fund</u>	
East Holmes Water	3,406
<u>Nonmajor Governmental Funds</u>	
ODNR Grant	1,324
Transportation Coordination Services	45,323

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances/net assets resulted from adjustments for accrued liabilities.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 3 - ACCOUNTABILITY AND CHANGE IN ACCOUNTING PRINCIPLES - (Continued)

B. Legal Compliance

The Rails-to-Trails capital project fund had expenditures in excess of appropriations contrary to Section 5705.41(B) of the Ohio Revised code for federal grants received from the Ohio Department of Transportation in the amount of \$1,090,451.

During 2004, certain County expenditures were not certified by the County Auditor prior to incurring the obligation, contrary to Ohio Revised Code Section 5705.41(D).

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

7. The State Treasurer's Investment Pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's total average portfolio.

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

The Hospital may deposit funds not needed for immediate expenses in interest-bearing or non-interest-bearing accounts or invest in United States government obligations.

Undeposited Cash: At year-end, the County had \$6,325 in undeposited cash which is included on the financial statements as part of "Equity in Pooled Cash and Cash Equivalents."

Cash on Hand: At year-end, the County had \$600 in undeposited cash on hand which is included on the basic financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the County's deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$22,641,658 and the bank balance, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$23,222,729. Of the bank balance:

1. \$1,463,460 was covered by federal depository insurance; and
2. \$21,759,269 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the County. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments: The County's investments are required to be categorized to give an indication of the level of custodial credit risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's name. Mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 1	Fair Value
Hospital Enterprise Fund		
Common Stock	\$ 331,640	\$ 331,640
Mutual Fund	-	7,623
Total investments	<u>\$ 331,640</u>	<u>\$ 339,263</u>

Assets Limited as to Use Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets.

The composition of assets limited to as to use is set forth in the following table:

Internally designated for future capital improvements:	
Cash and cash equivalents	\$ 3,042,591
Certificates of deposit	3,592,027
Investments in common stock and mutual funds	339,263
Interest receivable	2,073
	6,975,954
Funds available for future construction - cash and cash equivalents	43,270
Held in connection with debt service	268,032
Total assets limited as to use	<u>\$ 7,287,256</u>
Assets limited as to use - current portion	\$ 94,957
Assets limited as to use - long term portion	7,192,299
Total assets limited as to use	<u>\$ 7,287,256</u>

Funds available for future construction represent the unexpended proceeds from the County of Holmes Hospital Improvement Notes which were refinanced in 1991.

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

A reconciliation between the classifications of cash and cash equivalents and investments on the financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>	<u>Assets</u> <u>Limited as</u> <u>to Use</u>
GASB Statement No. 9	\$ 15,694,265	\$ -	\$ 7,287,256
Amounts in connection with debt service	268,032	-	268,032
Cash and cash equivalents	6,677,888	-	(6,677,888)
Investments	-	339,263	(339,263)
Interest receivable	2,073	-	(2,073)
Cash on hand	<u>(600)</u>	<u>-</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 22,641,658</u>	<u>\$ 339,263</u>	<u>\$ 536,064</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2004, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	
Nonmajor governmental funds	\$ 825,957
Transfers from County Board for MR/DD Fund to:	
Nonmajor governmental funds	55,000
Transfers from nonmajor governmental funds to:	
General fund	114,178
Transfers from nonmajor governmental funds to:	
Nonmajor governmental funds	<u>10,000</u>
Total	<u>\$ 1,005,135</u>

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Due from/to other funds consisted of the following at December 31, 2004, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 12,832
Nonmajor governmental funds	County Board of MR/DD	<u>2,995</u>
Total		<u>\$ 15,827</u>

Amounts due from/to other funds represent amounts owed between funds for goods or services provided. The balances resulted from the time lag between the dates that payments between the funds are made.

C. Loans to/from other funds consisted of the following at December 31, 2004:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 55,000
Nonmajor governmental funds	Other enterprise funds	8,000
	Sewer	<u>370,213</u>
Total		<u>\$ 433,213</u>

Loans to/from other funds represent long-term interfund loans that are not expected to be repaid within one year. During fiscal 2003, the general fund loaned the Transportation Coordination Fund (a nonmajor governmental fund) a total of \$55,000 which will be repaid over a period of approximately five years. The Wastewater Treatment Rotary Fund (a nonmajor governmental fund) has loaned the East Holmes Water Fund and the Sewer Fund a total of \$8,000 and \$370,213, respectively, as of December 31, 2004. These loans are being paid back over a number of years as resources become available.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 88% of true value for taxable transmission and distribution property and 25% of true value for all other taxable property. Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2004 taxes were collected was \$675,382,350. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2004, was \$12.55 per \$1,000 of assessed valuation.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Estate	\$ 550,347,480
Public Utility Property	27,138,980
Tangible personal	<u>97,895,890</u>
Total Property Taxes	<u>\$ 675,382,350</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due March 1. If paid semi-annually, the first payment is due March 1 and the remainder payable July 15. Under certain circumstances, State statute permits earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due May 10 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first \$10,000 of taxable value is exempt from taxation for each business by state law.

The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business must file a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

"Real estate and other taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of December 31 (net of allowances for estimated uncollectibles) and real and public utility taxes which were measurable as of the year end.

Since the current levy is not intended to finance 2004 operations, the receivable is offset by a credit to "deferred revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first 31 days of 2005 are shown as 2004 revenue; the remainder is shown as "deferred revenue". The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - RECEIVABLES

Receivables at December 31, 2004, consisted of taxes, accounts (billings for user charged services), interfund transactions related to charges for goods and services rendered, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the balance sheets and statement of net assets and all interfund transactions related to charges for goods and services rendered have been classified as "Due From Other Funds" on the balance sheets and statement of net assets. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

A. Permissive Sales and Use Tax

In 1979, the County Commissioners by resolution imposed a one-half percent tax on all retail sales, made in the County, except sales of motor vehicles, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. In 1989, the residents of the County voted to increase the tax by one-half percent for the purpose of new capital projects and in 1992 the voters approved another increase of one-quarter percent for the implementation and installation of a 911 system in the County. This three-quarter percent tax ended during 1998. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within the forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Amounts that have been collected by the State and that are to be received within the available period are accrued as revenue on the fund financial statements. Each month, the sales tax revenue is allocated to four funds. The Debt Service fund receives \$35,000, the Capital Improvements fund receives \$6,000, the Wastewater Rotary Loan fund receives \$6,000, and the remainder is allocated to the General fund. Sales tax revenue for 2004 amounted to \$4,300,065 as reported on the fund financial statements.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - RECEIVABLES - (Continued)

B. Intergovernmental

A summary of the principal items of "Due From Other Governments" as reported on the fund financial statements follows:

	<u>Amount</u>
<u>General Fund</u>	
Homestead and Rollback	\$ 112,264
Local Government	239,383
Revenue Assistance	96,242
Grants	20,050
Total	<u>467,939</u>
<u>County Board of MR/DD Fund</u>	
CAFS	175,696
Grants	59,758
Homestead and Rollback	136,907
Total	<u>372,361</u>
<u>Motor Vehicle License and Gas Tax Fund</u>	
Gasoline excise and motor vehicle license tax	1,039,011
Total	<u>1,039,011</u>
<u>County Home</u>	
Homestead and rollback	44,716
Total	<u>44,716</u>
<u>Rails to Trails</u>	
Grants	756,524
Total	<u>756,524</u>
<u>Nonmajor Governmental Funds</u>	
Child Support Enforcement	13,526
ODNR Grant	8,999
State Victims Assistance	2,455
Probate Court Fund	34,545
Youth Services	26,053
Community Housing Improvement	84,450
Children Services	135,641
Public Assistance	768,866
Total	<u>1,074,535</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - RECEIVABLES - (Continued)

	<u>Amount</u>
<u>Agency Funds</u>	
County Public Library	\$ 99,765
Gasoline and License Tax	497,582
Park District	35,901
Undivided Municipal Permissive	1,787
Undivided Local Government Revenue	64,161
Undivided Local Government	159,589
Total	858,785
Grand Total	\$ 4,613,871

NOTE 8 - NET CHARGE FOR SERVICE REVENUE

The County receives charges for services revenue in the enterprise funds for services provided to customers. The Joel Pomerene Hospital enterprise fund provides services to certain patients by various third-party payer arrangements that provides for payments to the Joel Pomerene Hospital enterprise fund at amounts different from its established rates. Gross charges for services revenue and the allowance to reconcile to net charges for services are as follows:

	<u>East Holmes Water</u>	<u>Sewer District</u>	<u>Joel Pomerene Hospital</u>	<u>Charges for Services Total</u>
Gross Charges for Service Revenue	\$ 5,843	\$ 694,613	\$ 38,702,788	\$ 39,403,244
Revenue Deductions:				
Provision for Contractual Allowances	-	-	(12,896,585)	(12,896,585)
Provision for Prompt Payment Discounts	-	-	(687,031)	(687,031)
Net Charges for Services Revenue	\$ 5,843	\$ 694,613	\$ 25,119,172	\$ 25,819,628

NOTE 9 - ACCOUNTS RECEIVABLE

Accounts receivable for the enterprise funds consist of billings for user charged services. A summary of the established allowances follows:

	<u>Gross Receivable</u>	<u>Contractual Adjustments</u>	<u>Uncollectible Adjustments</u>	<u>Net Receivable</u>
Sewer District	\$ 60,240	\$ -	\$ -	\$ 60,240
East Holmes Water	1,356	-	-	1,356
County Disposal	34,764	-	-	34,764
Joel Pomerene Hospital	6,850,432	(1,511,200)	(1,015,000)	4,324,232
Total Enterprise Funds	\$ 6,946,792	\$ (1,511,200)	\$ (1,015,000)	\$ 4,420,592

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - CAPITAL ASSETS

A. Capital asset activity for the fiscal year ended December 31, 2004, was as follows:

	Balance			Balance
<u>Governmental Activities:</u>	<u>12/31/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 941,019	\$ 173,225	\$ -	\$ 1,114,244
Construction in progress	-	1,290,035	-	1,290,035
Total capital assets, not being depreciated	<u>941,019</u>	<u>1,463,260</u>	<u>-</u>	<u>2,404,279</u>
<i>Capital assets, being depreciated:</i>				
Buildings	17,765,129	-	-	17,765,129
Improvements other than buildings	55,784	-	-	55,784
Furniture, fixtures and equipment	2,411,543	379,940	(62,411)	2,729,072
Vehicles	2,917,586	218,287	(178,382)	2,957,491
Infrastructure	16,622,524	691,638	-	17,314,162
Total capital assets, being depreciated	<u>39,772,566</u>	<u>1,289,865</u>	<u>(240,793)</u>	<u>40,821,638</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(5,739,063)	(445,568)	-	(6,184,631)
Improvements other than buildings	(30,112)	(1,653)	-	(31,765)
Furniture, fixtures and equipment	(2,027,244)	(181,625)	58,642	(2,150,227)
Vehicles	(1,603,308)	(270,294)	128,430	(1,745,172)
Infrastructure	(7,470,633)	(623,847)	-	(8,094,480)
Total accumulated depreciation	<u>(16,870,360)</u>	<u>(1,522,987)</u>	<u>187,072</u>	<u>(18,206,275)</u>
Total capital assets, being depreciated net	<u>22,902,206</u>	<u>(233,122)</u>	<u>(53,721)</u>	<u>22,615,363</u>
Governmental activities capital assets, net	<u>\$ 23,843,225</u>	<u>\$ 1,230,138</u>	<u>\$ (53,721)</u>	<u>\$ 25,019,642</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,181,161	\$ 108,348	\$ -	\$ 1,289,509
Construction in progress	82,951	-	-	82,951
Total capital assets, not being depreciated	<u>1,264,112</u>	<u>108,348</u>	<u>-</u>	<u>1,372,460</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvement	2,560,421	-	-	2,560,421
Equipment and machinery	738,485	27,908	-	766,393
Sewer/water lines	3,735,015	-	-	3,735,015
Building and fixed equipment	11,311,755	166,617	-	11,478,372
Moveable inventory	9,893,231	788,111	(22,500)	10,658,842
Sub-specialty medical clinic	214,198	-	-	214,198
Modular medical office building	560,323	-	-	560,323
Total capital assets, being depreciated	<u>29,013,428</u>	<u>982,636</u>	<u>(22,500)</u>	<u>29,973,564</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(733,223)	(64,317)	-	(797,540)
Equipment and machinery	(190,489)	(36,930)	-	(227,419)
Sewer/water lines	(1,185,681)	(94,375)	-	(1,280,056)
Building and fixed equipment	(6,933,729)	(609,275)	-	(7,543,004)
Moveable inventory	(5,947,334)	(522,599)	22,500	(6,447,433)
Sub-specialty medical clinic	(132,931)	(11,681)	-	(144,612)
Modular medical office building	(347,734)	(30,556)	-	(378,290)
Total accumulated depreciation	<u>(15,471,121)</u>	<u>(1,369,733)</u>	<u>22,500</u>	<u>(16,818,354)</u>
Total capital assets, being depreciated net	<u>13,542,307</u>	<u>(387,097)</u>	<u>-</u>	<u>13,155,210</u>
Business-type activities capital assets, net	<u>\$ 14,806,419</u>	<u>\$ (278,749)</u>	<u>\$ -</u>	<u>\$ 14,527,670</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Legislative and executive	\$ 394,856
Judicial	25,904
Public safety	67,891
Public works	727,874
Health	22,434
Human services	281,341
Conservation and recreation	<u>2,687</u>
Total depreciation expense - governmental activities	<u>\$ 1,522,987</u>

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE

The Hospital has entered in various non-cancelable lease agreements for equipment. These capital leases are due in monthly installments including interest at a rate of 4.4 percent. They expire at various times through 2008 and are collateralized by the equipment leased.

The Sewer enterprise fund has entered into capital leases for the acquisition of equipment. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases." Capital assets were capitalized at the present value of the minimum lease payments at the time the lease was entered into. The leased equipment is reported in the enterprise funds at \$461,115, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation through December 31, 2004 amounted to \$103,892 leaving a book value of \$357,223. Such agreements provide for minimum, annual lease payments as follows:

<u>Year</u>	<u>Hospital</u>	<u>Sewer</u>	<u>Total</u>
2005	\$ 85,352	\$ 15,404	\$ 100,756
2006	85,352	15,405	100,757
2007	85,352	15,405	100,757
2008	<u>35,563</u>	<u>-</u>	<u>35,563</u>
Total minimum lease payments	291,619	46,214	337,833
Less: amounts representing interest	<u>(20,630)</u>	<u>(4,114)</u>	<u>(24,744)</u>
Present value of minimum lease payments	<u>\$ 270,989</u>	<u>\$ 42,100</u>	<u>\$ 313,089</u>

NOTE 12 - OPERATING LEASES - LESSEE DISCLOSURE

The Hospital has entered into various operating lease agreements for equipment which expire at various times during 2005. Equipment operating lease expense totaled \$149,490 in 2004.

Effective March 1, 1999, the Hospital signed a six year lease agreement for office space from Aultman Health Foundation. The lease is set to expire March 1, 2005. Office lease expense totaled \$229,774 in 2004.

Effective April 27, 2004, the Hospital signed a ten-year lease agreement for a medical facility in Berlin, Ohio. The lease expires in 2014 with the option to lease for three additional three year terms. Lease expense was \$13,566 in 2004.

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Employees earn sick leave at a rate of 4.60 hours of sick leave for each completed 80 hours in active pay status. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid twenty-five percent to a maximum of 30 days of accumulated, unused sick leave. As of December 31, 2004, the total liability for unpaid compensated absences was \$963,854 (both governmental and business-type activities).

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Health and Life Insurance

The County provides health insurance to its employees through Aultcare of Ohio. The County also provides life insurance and accidental death and dismemberment insurance to its employees through Ohio National Life.

NOTE 14 - LONG-TERM OBLIGATIONS

A. Governmental Long-Term Obligations

During the fiscal year 2004, the following changes occurred in the County's governmental long-term obligations:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>	<u>Amount Due in One Year</u>
<u>General obligation bonds:</u>							
Series 1994 Jail bond	2024	5.25%	\$ 2,267,000	\$ -	\$ (62,000)	\$ 2,205,000	\$ 65,000
Series 1995 Various purpose bond	2019	3.9-5.8%	1,435,000	-	(85,000)	1,350,000	90,000
Series 1998 Capital facilities bond	2012	4.25%	<u>1,620,000</u>	<u>-</u>	<u>(150,000)</u>	<u>1,470,000</u>	<u>155,000</u>
Total general obligation bonds			<u>\$ 5,322,000</u>	<u>\$ -</u>	<u>\$ (297,000)</u>	<u>\$ 5,025,000</u>	<u>\$ 310,000</u>
<u>Other long-term obligations:</u>							
Rails-to-Trails note payable	2013	6%	\$ 196,348	\$ 161,696	\$ (196,348)	\$ 161,696	\$ 11,051
Compensated absences payable			<u>865,369</u>	<u>753,216</u>	<u>(669,168)</u>	<u>949,417</u>	<u>675,002</u>
Total other long-term obligations			<u>\$ 1,061,717</u>	<u>\$ 914,912</u>	<u>\$ (865,516)</u>	<u>\$ 1,111,113</u>	<u>\$ 686,053</u>
Total general long-term obligations			<u>\$ 6,383,717</u>	<u>\$ 914,912</u>	<u>\$ (1,162,516)</u>	<u>\$ 6,136,113</u>	<u>\$ 996,053</u>

General Obligation Bonds: The general obligation bonds are supported by the full faith and credit of the County. The 1994 jail bond will be repaid with sales taxes revenue. The various purpose and capital facilities bonds will be repaid with rental revenue of the human services building and with sales taxes.

Rails-to-Trails Note: The Rails-to-Trails Note is supported by the full faith and credit of the County. The note will be repaid by the Rails-to-Trails capital projects fund. Principal and interest payments are due on June 1 and December 1 of each year and the note matures on December 1, 2013.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences: Sick leave and vacation benefits will be paid from the fund from which the person is paid. The following funds are currently liable for sick leave and/or vacation benefits:

<u>Major Governmental Funds</u>	<u>Non Major Governmental Funds</u>
General Fund	Public Assistance
Motor Vehicle License and Gas Tax	Child Support Enforcement
County Board of MR/DD	ODNR Grant
County Home	State Victims Assistance
<u>Major Enterprise Funds</u>	Transportation Coordination
Sewer Fund	Jail Kitchen
County Disposal	Disaster Services
	Youth Services

Future Debt Service Requirements: The following is a summary of the County's future annual debt service principal and interest requirements for general obligation bonds and the Rails-to-Trails note:

<u>Year Ended</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 310,000	\$ 264,293	\$ 574,293
2006	293,000	246,958	539,958
2007	307,000	233,173	540,173
2008	321,000	218,605	539,605
2009	335,000	202,050	537,050
2010-2014	1,506,000	742,177	2,248,177
2015-2019	1,176,000	405,990	1,581,990
2020-2024	<u>777,000</u>	<u>126,578</u>	<u>903,578</u>
Total	<u>\$ 5,025,000</u>	<u>\$ 2,439,824</u>	<u>\$ 7,464,824</u>

<u>Year Ended</u>	<u>Rails-to-Trails Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 11,051	\$ 11,778	\$ 22,829
2006	14,440	8,389	22,829
2007	15,319	7,510	22,829
2008	16,252	6,577	22,829
2009	17,242	5,587	22,829
2010-2013	<u>87,392</u>	<u>3,920</u>	<u>91,312</u>
Total	<u>\$ 161,696</u>	<u>\$ 43,761</u>	<u>\$ 205,457</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Long-term Obligations

During fiscal year 2004, the following changes occurred in the County's business-type long-term obligations:

	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>Date</u>	<u>Rate</u>	<u>12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/04</u>	<u>Due in</u>
							<u>One Year</u>
<u>Revenue bonds:</u>							
Series 1991 Hospital bonds	2017	5.875%	\$ 960,835	\$ -	\$ (54,000)	\$ 906,835	\$ 55,000
Series 1997 Sewer bonds	2037	5.0%	<u>2,809,000</u>	<u>-</u>	<u>(206,500)</u>	<u>2,602,500</u>	<u>34,000</u>
Total revenue bonds			<u>\$ 3,769,835</u>	<u>\$ -</u>	<u>\$ (260,500)</u>	<u>\$ 3,509,335</u>	<u>\$ 89,000</u>
<u>OPWC Loans:</u>							
Sanitary Sewer Plant	2022	0%	\$ 53,858	\$ -	\$ (2,911)	\$ 50,947	\$ 2,911
Mt. Hope	2021	0%	<u>66,317</u>	<u>-</u>	<u>(3,901)</u>	<u>62,416</u>	<u>3,901</u>
Total OPWC loans			<u>\$ 120,175</u>	<u>\$ -</u>	<u>\$ (6,812)</u>	<u>\$ 113,363</u>	<u>\$ 6,812</u>
<u>Other long-term obligations:</u>							
Capital leases-equipment			\$ 397,840	\$ -	\$ (84,751)	\$ 313,089	\$ 88,574
Landfill closure and postclosure care liability			1,807,147	406,257	-	2,213,404	-
Compensated absences			<u>13,478</u>	<u>14,437</u>	<u>(13,478)</u>	<u>14,437</u>	<u>14,437</u>
Total other long-term obligations			<u>\$ 2,218,465</u>	<u>\$ 420,694</u>	<u>\$ (98,229)</u>	<u>\$ 2,540,930</u>	<u>\$ 103,011</u>
Total business-type long-term obligations			<u>\$ 6,108,475</u>	<u>\$ 420,694</u>	<u>\$ (365,541)</u>	<u>\$ 6,163,628</u>	<u>\$ 198,823</u>

The capital leases and the sewer revenue bonds reported in the enterprise funds will be repaid from charges for services revenue. The Joel Pomerene Hospital revenue bonds require the Hospital to make monthly payments into debt service reserve funds. Further, these bonds require the Hospital to maintain adequate insurance coverage and obtain FmHA permission prior to incurring any new debt.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements of the revenue bonds:

Year Ended	Revenue bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 89,000	\$ 192,385	\$ 281,385	\$ 6,812	\$ -	\$ 6,812
2006	94,000	187,454	281,454	6,812	-	6,812
2007	99,000	182,255	281,255	6,812	-	6,812
2008	105,000	176,771	281,771	6,813	-	6,813
2009	110,000	170,952	280,952	6,812	-	6,812
2010 - 2014	651,000	755,935	1,406,935	34,062	-	34,062
2015 - 2019	506,835	573,220	1,080,055	34,061	-	34,061
2020 - 2024	398,000	469,100	867,100	11,179	-	11,179
2025 - 2029	509,000	359,100	868,100	-	-	-
2030 - 2034	649,000	218,600	867,600	-	-	-
2035 - 2037	298,500	47,950	346,450	-	-	-
Total	\$ 3,509,335	\$ 3,333,722	\$ 6,843,057	\$ 113,363	\$ -	\$ 113,363

- C. The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and net in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. Based on this calculation, the County's voted legal debt margin was \$14,031,681 at December 31, 2004 and the unvoted legal debt margin was \$5,400,946 at December 31, 2004.

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2004, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for liability, property, and crime insurance. The CORSA program has a \$2,500 deductible.

Coverage provided by CORSA is as follows:

General Liability (per occurrence)	\$ 6,000,000
Stop Loss (aggregate excess)	1,000,000
Automobile Liability (per occurrence)	6,000,000
Uninsured Motorist Liability (per occurrence)	250,000
Law Enforcement Liability (per occurrence)	6,000,000
Errors and Omissions Liability	
- Per occurrence	6,000,000
- Annual aggregate	6,000,000
Crime Coverage (per each occurrence)	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (inside and outside)	1,000,000

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 15 - RISK MANAGEMENT - (Continued)

Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Building and Contents	52,455,660
Other Property Insurance:	
Valuable Papers	1,000,000
Extra Expense	1,000,000
Electronic Data Processing	Replacement Cost
Contractors Equipment	Actual Cash Value
Inland Marine	1,000,000
Motortruck Cargo	100,000
Flood and Earthquake (pool limit)	100,000,000
Auto Physical Damage	Actual Cash Value
Comprehensive Boiler and Machinery	100,000,000
EDP Equipment	100,000 per policy
EDP Media	100,000 per policy
Unintentional omissions (per occurrence)	250,000
Newly acquired location	5,000,000
Debris Removal	1,000,000 each

With the exception of health insurance, and workers' compensation, all insurance is held with CORSA. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. The County pays all elected officials' bonds by statute.

For 2004, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 2.A.). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria.

The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

The Hospital is fully insured for employee health benefits through a commercial carrier. The Hospital pays a monthly premium for their employees' health insurance.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 16 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

All County full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System of Ohio (OPERS), a cost-sharing multiple-employer public employee retirement system created by the State of Ohio. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2004 and 2003 was 8.5% for employees other than law enforcement. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The employer contribution rate for employees other than law enforcement and public safety division was 13.55% of covered payroll and 9.55% was the portion used to fund pension obligations for 2004. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll and 12.70% was the portion used to fund pension obligations for 2004. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The County's contributions for pension obligations to OPERS for the years ended December 31, 2004, 2003, and 2002 were \$1,184,063, \$1,011,447, and \$1,626,456, respectively; equal to their required contributions for each year.

B. State Teachers Retirement System of Ohio

Certified teachers employed by the school for the Mentally Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code.

STRS Ohio issues a publicly available financial report that includes financial statements and required supplementary information for STRS Ohio. That report may be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the County is required to contribute 14%; 13% was the portion used to fund pension obligations in 2004. The portion to fund pension obligations for 2003 was 9.5%. Contribution rates are established by STRS Ohio Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's contributions for pension obligations to STRS Ohio for the years ended December 31, 2004, 2003, and 2002 were \$107,188, \$100,732, and \$29,597, respectively; equal to their required contributions for each year.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

OPERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2004 employer contribution rate for local government employers was 13.55% of covered payroll and 4.00% was the portion that was used to fund health care. For both the public safety and law enforcement divisions the 2004 employer rate was 16.70% of covered payroll and 4.00% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The County's contribution actually made to fund postemployment benefits was \$495,942.

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. OPEB's are advance funded on an actuarially determined basis.

As of December 31, 2003 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively, at December 31, 2003 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2003 (the latest information available) was 369,885.

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

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

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2004, Comprehensive Annual Financial Report.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

In January 2001, House Bill 416 divided the OPERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. All other members of the OPERS law enforcement program were placed in a newly named public safety division and continue to contribute at 9.0%. The employer contribution rate for both the law enforcement and public safety divisions is 16.70%.

Law enforcement officer benefits permit age and service retirement at an earlier age with a different formula than that for OPERS members not covered under this division.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due, is available in the OPERS December 31, 2004, Comprehensive Annual Financial Report.

B. State Teachers Retirement System of Ohio

Comprehensive health care benefits are provided to retired teachers and their dependents through the STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by the State Teachers Retirement Board based on authority granted by State statute.

All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the Health Care Stabilization Fund equal to 1.0% of covered payroll for the fiscal year ended June 30, 2004. For the County, this amount equaled \$8,245 during calendar year 2004. As of June 30, 2004, the balance in the Health Care Stabilization Fund was \$3.1 billion and eligible benefit recipients totaled 111,851 for STRS Ohio as a whole. For the fiscal year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268.739 million.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as payables (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and major special revenue funds are as follows:

Net Change in Fund Balances

	<u>General</u>	<u>Motor Vehicle License and Gas Tax</u>	<u>County Board of MR/DD</u>	<u>County Home</u>
Budget basis	\$ (160,981)	\$ (174,293)	\$ 34,524	\$ (190,402)
Net adjustment for revenue accruals	241,775	(4,527)	54,203	11,707
Net adjustment for expenditure accruals	(1,125)	209,083	122,970	(12,630)
Encumbrances (budget basis)	<u>19,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 98,765</u>	<u>\$ 30,263</u>	<u>\$ 211,697</u>	<u>\$ (191,325)</u>

NOTE 19 - CONTINGENCIES

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2004.

B. Litigation

The County is party to legal proceedings. The County's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the County at December 31, 2004.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 20 – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$2,213,404 reported as landfill closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of 44.0 percent of the estimated capacity of the landfill. Based on current usage, the remaining useful life is estimated to be 67 years. At December 31, 2004, the total estimated cost to perform closure and postclosure care of the landfill was \$5,035,571. This amount represents an estimate of what it would cost to perform all closure and postclosure care at December 31, 2004. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,822,167 as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by State and federal laws and regulations to make annual contributions to finance closure and postclosure care or to pass a financial accountability test. The County has passed the financial accountability test in which the County has proven to be able to self-fund these future costs.

NOTE 21 - CHARITY CARE

The Hospital provides uncompensated care to indigent patients. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Charges foregone for services rendered under the Hospital's charity care policy amount to approximately \$1,260,000 in 2004.

NOTE 22 - ADVERTISING

The Hospital expenses advertising costs as they are incurred. Advertising expense was \$108,861 for 2004. Advertising expenses are included in the enterprise funds' operating expenses in these financial statements.

NOTE 23 - MEDICAL MALPRACTICE CLAIMS

The Hospital has purchased occurrence-based insurance to protect itself against losses from medical malpractice claims. The policy covers claims resulting from incidents that occur during the policy term, regardless of when the claims are reported to the insurance carrier. The Hospital is not aware of any medical malpractice claims, either asserted or unasserted, that would exceed the policy limits of \$1,000,000 per individual claims and \$3,000,000 in annual aggregate.

NOTE 24 - RELATED PARTY TRANSACTIONS

During 2004, Holmes County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of programs to Lynn Hope Industries, Inc. Lynn Hope Industries, Inc., a discretely presented component unit of Holmes County, reported \$159,522 for such contributions. Lynn Hope Industries recorded operating revenues and expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of the Workshop.

The Joel Pomerene Foundation (the "Foundation"), which is controlled by Joel Pomerene Memorial Hospital, was established to solicit contributions from the general public and to support the Hospital. Funds are distributed to the Hospital as determined by the Foundation's board of directors. The Foundation's unrestricted net assets equaled \$40,617 at December 31, 2004.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 24 - RELATED PARTY TRANSACTIONS - (Continued)

The Northeast Ohio Health Outreach Network, which is controlled by Joel Pomerene Memorial Hospital, was established to receive federal grant monies from the U.S. Department of Housing and Urban Development (HUD). Funds are distributed to the Hospital directly from HUD as determined by the Network. The Network expended \$40,281, netting to unrestricted net assets of \$135,681 for the year ended December 31, 2004.

NOTE 25 - HOLMES COUNTY REGIONAL PLANNING COMMISSION

The Holmes County Regional Planning Commission (the "Commission") is governed by an eleven member board, of which seven are appointed by the County. The Commission imposes a financial burden on the County; therefore, the Commission has been included as a component unit of the County. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economical and governmental characteristics, functions and social, economical and governmental characteristics, functions and services of the County.

A. Basis of Accounting

For reporting on the government-wide financial statements, the Commissions follow the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. All assets and liabilities of the Commission are reported on the statement of net assets and financial transactions of the Commission are reflected in the statement of activities.

B. Deposits and Investments

The County acts as the custodian of the Commission's funds. Cash and cash equivalents of the Commission are pooled and invested by the County. Information regarding the classification of the County's deposits and investments per GASB Statement No. 3 may be found in Note 4.

C. Compensated Absences

The Commission records liabilities for vacation and sick leave accumulated by its employees at the same rate as the County (See Note 2.J.). At December 31, 2004, vacation and severance liability were \$4,152 and \$11,552, respectively. The entire compensated absences liability is reported on the government-wide financial statements.

NOTE 26 - LYNN HOPE INDUSTRIES, INC.

A. Summary of Significant Accounting Policies

Business Activity - Lynn Hope Industries, Inc. (the "Organization") is a sheltered workshop located in Holmesville, Ohio. The Organization offers a variety of goods and services for sale. The Organization extends credit to its customers, substantially all of whom are local businesses.

Basis of Presentation - The Organization has adopted Financial Accounting Standard Board Statement of Account Standards (FAS) No. 117 (Financial Statements of Not-for-Profit Organizations) for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 26 - LYNN HOPE INDUSTRIES, INC. - (Continued)

Property and Equipment - Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation is based on the following policies:

<u>Description</u>	<u>Useful Life (In Years)</u>	<u>Method</u>
Equipment	3 - 10	Straight-line
Vehicles	5	Straight-line

Federal Income Tax - The Organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

Designation of Contributions - Contributors to the Organization have the ability to designate the programs to be benefited by their contributions. During the year ended December 31, 2004 there was no restricted contributions to the Organization.

Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

Advertising - Costs of advertising are expensed as incurred. The amounts charged to advertising expense for year ended December 31, 2004 was \$1,337.

B. Non-Cash Transactions

The Organization received in-kind services and facilities for the year ended December 31, 2004 from the Holmes County Board of MR/DD. The value of the in-kind contribution was determined to be \$159,522 and is recorded in other income and operating expenses as an equivalent amount.

C. Related Parties

Total revenues from contracts to provide services to the Holmes County Board of MR/DD were \$42,033 for the year ended December 31, 2004. The Organization had \$3,185 in accounts receivable from the Holmes County Board of MR/DD at December 31, 2004.

D. Operating Leases

The company entered into a non-cancelable operating lease agreement for a forklift during 2002. The lease has a 5-year term with monthly rentals of \$403. The company is responsible for all taxes, repairs, insurance, and maintenance under this agreement. Total rent expense under the terms of this agreement amounted to \$4,836 for the year ended December 31, 2004.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 26 - LYNN HOPE INDUSTRIES, INC. - (Continued)

The company rents various pieces of equipment on a month to month basis for use in daily operations. Total rent expense related to these agreements amounted to \$282 for the year ended December 31, 2004.

The following is a schedule by years of future minimum lease payments under the terms of the 5-year forklift lease as of December 31, 2004:

2005	\$ 4,836
2006	<u>403</u>
Total	<u>\$ 5,239</u>

E. Long-Term Liabilities

Long-term liabilities at December 31, 2004 consist of the following:

Note payable - bank. Monthly payments of \$1,792 include interest at 6%. The final payment is due May 2020. The note is not collateralized.	\$ 204,287
Note payable - vendor. Monthly payments of \$943 include interest at 7.25%. The final payment was made June 2004. The note is not collateralized by equipment.	<u>-</u>
	204,287
Less: current portion	<u>(9,503)</u>
Total	<u>\$ 194,784</u>

Principal amounts of long-term debt payable in the years ending December 31:

2005	\$ 9,503
2006	10,089
2007	10,711
2008	11,371
2009	12,073
Thereafter	<u>150,540</u>
Total	<u>\$ 204,287</u>

F. Notes Payable

Notes payable at December 31, 2004 consists of the following:

Note payable - non-profit entity. The note is due on demand, does not accrue interest and is not collateralized.	<u>\$ 17,000</u>
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HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 26 - LYNN HOPE INDUSTRIES, INC. - (Continued)

G. Capital Assets

A summary of capital assets at December 31, 2004, follows:

Equipment	\$ 66,350
Vehicles	<u>28,342</u>
Subtotal	94,692
Less: accumulated depreciation	<u>(60,041)</u>
Net capital assets	<u>\$ 34,651</u>

H. Deficit Net Assets

The Organization had a deficit net asset balance of \$112,096 at December 31, 2004. This deficit balance was caused by accrued liabilities at year-end.

NOTE 27 - HOLMES COUNTY AIRPORT AUTHORITY

The Holmes County Airport Authority (the "Airport Authority") board consists of seven members who are appointed by the County Commissioners of Holmes County. The Airport Authority imposes a financial burden on the County. Based on this relationship, the Airport Authority is a component unit of Holmes County. Separately issued financial statements can be obtained from Holmes County Airport Authority of Holmes County.

A. Basis of Accounting

The Airport Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net income, financial position and cash flows. All transactions are accounted for in a single enterprise fund.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Airport Authority has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 subject to this same limitation. The Airport Authority has elected not to apply these FASB Statements and Interpretations.

Equipment and Depreciation - Property, plant, and equipment are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation is provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Useful Live (In Years)</u>
Buildings and improvements	20 - 50
Equipment	10 - 30

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 27 - HOLMES COUNTY AIRPORT AUTHORITY - (Continued)

A summary of capital assets at December 31, 2004, follows:

Land	\$ 54,357
Buildings and improvements	574,300
Equipment	<u>85,013</u>
Subtotal	713,670
Less: accumulated depreciation	<u>(259,622)</u>
Net capital assets	<u>\$ 454,048</u>

B. Deposits and Investments

Monies held by the Airport Authority are held in separate accounts. The Airport Authority invests in a NOW account and certificates of deposit. Protection of the Airport Authority's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Deposits: At year-end, the carrying amount of the Airport Authority's deposits and the bank balance was \$201,578. Of the bank balance, \$179,187 was covered by federal depository insurance. \$22,391 was uninsured and uncollateralized.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

HOLMES COUNTY, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS**

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Funds

Motor Vehicle License and Gas Tax

This fund accounts for revenues derived from motor vehicle licenses, and gasoline taxes.

County Board of Mental Retardation and Developmentally Disabled (MRDD)

This fund accounts for the operation of a school and resident homes for the mentally retarded and developmentally disabled.

County Home

This fund accounts for room and board fees and property tax monies used for the operations of the county home.

Nonmajor Special Revenue Funds

Dog and Kennel

To account for the dog warden's operations, financed by the sale of dog tags and fine collections.

Public Assistance

To account for various Federal and State grants used to provide public assistance to general relief recipients and pay their providers of medical assistance, and for certain public social services.

Child Support Enforcement

To account for State, Federal, and Local Revenues used to administer the County Bureau of Support.

Work Enforcement Act

To account for the State and Federal grants used to administer workforce development activities.

Child Neglect and Abuse

To account for the Ohio Children's Trust Fund grant funding. The funding is under control of the Family and Children First Council.

Real Estate Assessment

To account for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the county.

Delinquent Real Estate Collection

To account for five percent of all collections of certified delinquent real estate taxes and assessments used for the purpose of collecting delinquent property taxes and assessments.

Road & Bridge Contribution

To account for revenues and expenditures of donations for maintenance on roads upon which animal-drawn vehicles travel.

ODNR Grant

To account for Ohio Department of Natural Resources grant monies to provide conservation and recreation.

Victims Assistance

To account for grants received through the Attorney General's office that are to be expended to assist individuals who are the victims of crime.

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Indigent Guardianship

To account for State-mandated County-wide real estate reappraisals that are funded by charges to political subdivisions located within the County.

General Special Projects Common Pleas

To account for fees collected by the court for efficient operation of the court.

Sheriff Concealed Handgun License

To account for fees paid by applicants to cover costs incurred with issuance of licenses.

Education and Enforcement

Revenue is generated from court costs and is used for education and training for the employees.

Help America Vote Act

To upgrade Voter Registration System mandated by the State of Ohio for the Board of Elections, financed by a grant issued from the State.

911

To account for sales tax monies used for training and implementing the 911 program.

Special Projects

Five percent from fees/any building project going to be used for new office and equipment.

Employee Expended

Money is transferred from General Fund and set aside for any unexpected retirement payoffs or terminated employees' vacation payoffs.

Transportation Coordination

To provided taxi service to residents of Holmes County funded by grants and county matching funds.

Certificate Title Administration

To account for funds retained from the Clerk of Courts from costs incurred in processing titles under Chapters 1548 and 4505, Revised Code.

Courthouse Security Grant

Revenue generated from court fines and fees, and is paid to Holmes County Sheriff by the State of Ohio and can be used for any expense the Sheriff sees necessary.

Federal Equitable Sharing

Revenue generated from court fines and fees from a Federal drug bust and is paid to Holmes County Sheriff by the State of Ohio and can be used for any expense the Sheriff sees necessary.

Youthful Impaired Driver

Portion of DUI fines are paid into this fund and used to educate the importance of not driving while under the influence.

Scenic Byways

Grant for beautifying highways.

Community Development

To account for revenue from the Federal government to be expended for administrative costs of the community development block grant program.

Domestic Violence

A charge of \$17.00 from each marriage license sold is paid into this fund which is then paid to Every Women's House, a place for battered women.

HOLMES COUNTY, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS**

Nonmajor Special Revenue Funds - (Continued)

Jail Kitchen

To account for transfers used to provide food services to inmates and County employees.

Indigent Drivers Alcohol

To account for monies received from fines from convictions on alcohol-related cases used for treatment of persons convicted of alcohol-related motor vehicle violations.

Tax Map

Revenue is generated from sales of maps and is used for Aerial photography and other necessary items.

Probate Court Conduct of Business

To account for monies used for probate court business.

Disaster Services

Natural hazards could affect any portion of Holmes county and severely impact its citizens and also recognize that lives can be saved and damage reduced or eliminated through smart recovery and mitigation programs and activities. A risk assessment that identifies natural hazards, a profile of hazard events, and an assessment of the vulnerability of each hazard.

Community Housing Improvement

To account for revenue from the Federal government to be expended for administrative costs of the community housing improvement grant program.

Youth Services Subsidy Grant

To account for all grant monies received from the State Department of Youth Services used to maintain a restitution program for juvenile offenders.

Recycling and Litter

To account for a County-wide litter control and recycling program prescribed by the State of Ohio Department of Natural Resources.

Wastewater Treatment Rotary

Revenue generated from monthly Sales Tax. Money is available to the Wastewater Treatment Plants if needed for repairs or operation of the plant. Money is paid back but no written agreement has been filed as of date.

Children Services

To account for revenue from the State government expended for the support and placement of children.

Community Corrections

Community Corrections Act monies are used for drug testing, Victim offender Reconciliation, Probation Supervision.

NONMAJOR DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional statements are presented.

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

CAPITAL PROJECTS

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

Major Capital Projects Fund

Rails-to-Trails

To account for donations and federal grant revenues to facilitate the conservation of railroad rights-of-way and similar linear resources by acquisition, conversion and operation of such holdings to trail use for the general public.

Nonmajor Capital Projects Funds

Mental Retardation Capital

To account for transfers to be used for ongoing capital improvements.

Capital Improvements

To account for sales tax monies set aside for various capital projects within the county.

Landfill Capital Projects

To account for monies set aside for anticipated costs regarding the Holmes County Landfill.

Capital Computerization

To account for monies set aside for computerizing various county departments.

Recorder's Equipment

To account for monies set aside for the purpose of buying equipment for the recorder's office.

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 1,858,500	\$ 1,942,781	\$ 1,994,285	\$ 51,504
Sales taxes	3,450,000	3,450,000	3,654,494	204,494
Charges for services	1,231,660	1,151,160	1,277,501	126,341
Licenses and permits	97,375	97,375	104,766	7,391
Fines and forfeitures	94,500	94,500	111,430	16,930
Intergovernmental	876,301	971,301	1,065,074	93,773
Interest	250,000	250,000	242,043	(7,957)
Rental Income	14,200	14,200	12,284	(1,916)
Other	335,935	439,817	528,137	88,320
Total revenues	<u>8,208,471</u>	<u>8,411,134</u>	<u>8,990,014</u>	<u>578,880</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Commissioners				
Personal services	195,042	202,903	195,538	7,365
Materials and supplies	3,845	4,000	2,536	1,464
Contractual services	543,351	645,457	451,976	193,481
Other	<u>22,109</u>	<u>23,000</u>	<u>22,619</u>	<u>381</u>
Total commissioners	<u>764,347</u>	<u>875,360</u>	<u>672,669</u>	<u>202,691</u>
Auditor - General:				
Personal services	312,226	324,810	323,131	1,679
Materials and supplies	41,056	42,711	35,769	6,942
Contractual services	40,785	42,429	39,033	3,396
Capital outlay	1,923	2,000	1,979	21
Other	<u>6,364</u>	<u>6,621</u>	<u>3,303</u>	<u>3,318</u>
Total auditor	<u>402,354</u>	<u>418,571</u>	<u>403,215</u>	<u>15,356</u>
Auditor - Personal Property:				
Materials and supplies	<u>3,581</u>	<u>3,725</u>	<u>1,208</u>	<u>2,517</u>
Total auditor-personal property	<u>3,581</u>	<u>3,725</u>	<u>1,208</u>	<u>2,517</u>
Treasurer				
Contractual services	15,841	16,480	16,480	-
Other	<u>1,576</u>	<u>1,639</u>	<u>1,639</u>	<u>-</u>
Total treasurer	<u>17,417</u>	<u>18,119</u>	<u>18,119</u>	<u>-</u>
Prosecutor				
Personal services	229,472	238,721	238,221	500
Materials and supplies	10,772	11,206	10,698	508
Personal services	104,799	109,023	109,001	22
Materials and supplies	15,246	15,861	15,407	454
Contractual services	<u>25,383</u>	<u>26,406</u>	<u>26,406</u>	<u>-</u>
Total prosecutor	<u>385,672</u>	<u>401,217</u>	<u>399,733</u>	<u>1,484</u>

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
County Office Examinations:				
Contractual services	\$ 96,289	\$ 100,170	\$ 92,200	\$ 7,970
Total county office examinations	96,289	100,170	92,200	7,970
Budget Commission:				
Materials and supplies	192	200	120	80
Total budget commission	192	200	120	80
Board of Revisions:				
Materials and supplies	522	543	543	-
Total board of revisions	522	543	543	-
Recorder				
Personal services.	100,032	104,064	104,064	-
Materials and supplies	4,565	4,749	4,749	-
Other.	1,516	1,577	1,566	11
Total recorder	106,113	110,390	110,379	11
Board of Elections:				
Personal Services	90,145	93,779	93,730	49
Materials and supplies	20,704	21,538	21,283	255
Other.	4,134	4,301	3,653	648
Total board of elections	114,983	119,618	118,666	952
Maintenance and Operations				
Personal services.	148,656	154,648	120,447	34,201
Materials and supplies	18,366	19,106	18,150	956
Contractual services	400,277	416,410	410,320	6,090
Capital outlay	188,209	195,795	193,222	2,573
Total maintenance and operations	755,508	785,959	742,139	43,820
Tax Map				
Personal services.	83,293	86,650	80,262	6,388
Materials and supplies	4,326	4,500	3,762	738
Contractual services	673	700	492	208
Capital Outlay	4,998	5,200	4,108	1,092
Other.	673	700	556	144
Total tax map	93,963	97,750	89,180	8,570
Insurance and Pensions				
Personal services.	598,326	622,442	608,706	13,736
Contractual services	966,857	1,005,827	867,628	138,199
Other.	24,423	25,408	25,199	209
Total insurance and pensions	1,589,606	1,653,677	1,501,533	152,144
Total general government - legislative and executive	4,330,547	4,585,299	4,149,704	435,595

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Judicial				
Common Pleas Court				
Personal services	\$ 184,509	\$ 191,946	\$ 184,819	\$ 7,127
Materials and supplies	13,272	13,807	10,942	2,865
Capital outlay	4,143	4,310	3,767	543
Other	1,923	2,000	1,899	101
Total common pleas court	<u>203,847</u>	<u>212,063</u>	<u>201,427</u>	<u>10,636</u>
Adult Probation				
Personal services	127,096	132,219	132,061	158
Materials and supplies	6,553	6,817	6,538	279
Capital outlay	2,019	2,100	1,835	265
Total adult probation	<u>135,668</u>	<u>141,136</u>	<u>140,434</u>	<u>702</u>
Law Library				
Personal services	2,884	3,000	3,000	-
Total law library	<u>2,884</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Juvenile Court				
Personal services	123,601	128,583	127,251	1,332
Materials and supplies	4,411	4,589	4,579	10
Contractual services	80,701	83,954	78,516	5,438
Other	8,189	8,519	7,113	1,406
Total juvenile court	<u>216,902</u>	<u>225,645</u>	<u>217,459</u>	<u>8,186</u>
Probate Court				
Personal services	70,741	73,592	69,375	4,217
Materials and supplies	10,630	11,058	10,249	809
Other	1,153	1,200	760	440
Total probate court	<u>82,524</u>	<u>85,850</u>	<u>80,384</u>	<u>5,466</u>
Clerk of Courts				
Personal services	187,475	195,031	194,420	611
Materials and supplies	24,031	25,000	24,925	75
Contractual services	1,466	1,525	1,362	163
Total clerk of courts	<u>212,972</u>	<u>221,556</u>	<u>220,707</u>	<u>849</u>
County Court				
Personal services	163,863	170,468	167,423	3,045
Materials and supplies	17,969	18,693	16,630	2,063
Contractual services	2,763	2,874	2,875	(1)
Other	192	200	200	-
Total county court	<u>184,787</u>	<u>192,235</u>	<u>187,128</u>	<u>5,107</u>
Juvenile Probation				
Personal services	3,041	3,163	2,450	713
Materials and supplies	3,069	3,193	1,964	1,229
Other	721	750	484	266
Total juvenile probation	<u>6,831</u>	<u>7,106</u>	<u>4,898</u>	<u>2,208</u>

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Common Pleas Jury Commission				
Personal services	\$ 1,684	\$ 1,752	\$ 1,752	\$ -
Materials and supplies	192	200	177	23
Total common pleas jury commission	<u>1,876</u>	<u>1,952</u>	<u>1,929</u>	<u>23</u>
 Court of Appeals				
Other	<u>7,209</u>	<u>7,500</u>	<u>6,917</u>	<u>583</u>
Total court of appeals	<u>7,209</u>	<u>7,500</u>	<u>6,917</u>	<u>583</u>
 Total general government - judicial	<u>1,055,500</u>	<u>1,098,043</u>	<u>1,064,283</u>	<u>33,760</u>
Total general government	<u>5,386,047</u>	<u>5,683,342</u>	<u>5,213,987</u>	<u>469,355</u>
 Public Safety				
Jail				
Personal services	712,850	741,582	741,582	-
Materials and supplies	5,093	5,299	5,074	225
Contractual services	211,411	219,932	219,930	2
Capital outlay	12,183	12,674	12,674	-
Other	<u>1,495</u>	<u>1,555</u>	<u>1,555</u>	<u>-</u>
Total jail	<u>943,032</u>	<u>981,042</u>	<u>980,815</u>	<u>227</u>
 Coroner				
Personal services	35,422	36,849	35,066	1,783
Materials and supplies	144	150	-	150
Other	<u>7,882</u>	<u>8,200</u>	<u>6,184</u>	<u>2,016</u>
Total coroner	<u>43,448</u>	<u>45,199</u>	<u>41,250</u>	<u>3,949</u>
 Sheriff				
Personal services	981,208	1,020,756	1,020,756	-
Materials and supplies	84,173	87,566	87,566	-
Contractual services	42,774	44,498	44,498	-
Capital outlay	54,988	57,204	57,204	-
Other	<u>69,612</u>	<u>72,418</u>	<u>72,416</u>	<u>2</u>
Total sheriff	<u>1,232,755</u>	<u>1,282,442</u>	<u>1,282,440</u>	<u>2</u>
 Total public safety	<u>2,219,235</u>	<u>2,308,683</u>	<u>2,304,505</u>	<u>4,178</u>
 Public Works				
Highways				
Personal services	432	450	450	-
Capital outlay	2,088	2,172	2,172	-
Other	<u>1,492</u>	<u>1,552</u>	<u>1,344</u>	<u>208</u>
Total highways	<u>4,012</u>	<u>4,174</u>	<u>3,966</u>	<u>208</u>
 Airport				
Grant in Aid	20,187	21,000	21,000	-
Other	<u>42,997</u>	<u>44,730</u>	<u>44,730</u>	<u>-</u>
Total airport	<u>63,184</u>	<u>65,730</u>	<u>65,730</u>	<u>-</u>
 Total Public Works	<u>67,196</u>	<u>69,904</u>	<u>69,696</u>	<u>208</u>

-- Continued

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health				
TB Clinic and Care				
Contractual services	\$ 240	\$ 250	\$ -	\$ 250
Total tb clinic and care	240	250	-	250
Registration Vital Statistics				
Contractual services	961	1,000	861	139
Total registration vital statistics	961	1,000	861	139
Other Health Department				
Contractual services	60,957	63,413	61,913	1,500
Total other health department	60,957	63,413	61,913	1,500
Total health	62,158	64,663	62,774	1,889
Human Services				
Veteran's Services				
Personal services.	115,880	120,551	120,551	-
Materials and supplies	27,192	28,288	28,288	-
Contractual services	48,006	49,941	49,941	-
Capital outlay	2,417	2,514	2,514	-
Other.	3,511	3,653	3,653	-
Total veteran's services	197,006	204,947	204,947	-
Historical Services				
Grants in Aid.	6,729	7,000	7,000	-
Total historical services	6,729	7,000	7,000	-
Total human services	203,735	211,947	211,947	-
Conservation and recreation				
Agriculture Department				
Grant	282,080	293,450	293,450	-
Other.	1,923	2,000	1,878	122
Total agriculture department	284,003	295,450	295,328	122
Total conservation and recreation	284,003	295,450	295,328	122
Other				
Other				
Contractual services	14,564	15,151	-	15,151
Other.	57,410	59,724	59,724	-
Total other	71,974	74,875	59,724	15,151
Total other	71,974	74,875	59,724	15,151
Intergovernmental.	221,255	221,255	221,255	-
Total expenditures.	8,515,603	8,930,119	8,439,216	490,903
Excess of Revenues Over (Under) Expenditures	(307,132)	(518,985)	550,798	1,069,783

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (uses):				
Transfer in	5,640	26,249	114,178	87,929
Transfers out.	(741,588)	(654,583)	(825,957)	(171,374)
Total other financing sources (uses)	<u>(735,948)</u>	<u>(628,334)</u>	<u>(711,779)</u>	<u>(83,445)</u>
Net change in fund balance	(1,043,080)	(1,147,319)	(160,981)	986,338
Fund balance at beginning of year	1,217,145	1,217,145	1,217,145	-
Prior year encumbrances appropriated	<u>53,185</u>	<u>53,185</u>	<u>53,185</u>	<u>-</u>
Fund balance at end of year	<u>\$ 227,250</u>	<u>\$ 123,011</u>	<u>\$ 1,109,349</u>	<u>\$ 986,338</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,093,981	\$ 112,122	\$ 504,589	\$ 4,710,692
Receivables (net of allowance for uncollectibles):				
Sales taxes.	67	70,000	12,000	82,067
Accounts	47,769	-	4,397	52,166
Loans to other funds.	378,213	-	-	378,213
Due from other funds.	2,995	-	-	2,995
Due from other governments.	1,074,535	-	-	1,074,535
Prepayments	5,990	-	-	5,990
Materials and supplies inventory	20,408	-	-	20,408
Total assets	<u>\$ 5,623,958</u>	<u>\$ 182,122</u>	<u>\$ 520,986</u>	<u>\$ 6,327,066</u>
Liabilities:				
Accounts payable	\$ 100,047	\$ -	\$ 52,245	\$ 152,292
Accrued wages.	64,596	-	1,548	66,144
Loans from other funds	55,000	-	-	55,000
Due to other funds.	12,832	-	-	12,832
Due to other governments.	74,553	-	915	75,468
Deferred revenue	220,948	35,000	6,000	261,948
Total liabilities	<u>527,976</u>	<u>35,000</u>	<u>60,708</u>	<u>623,684</u>
Fund Balances:				
Reserved for encumbrances	14,766	-	-	14,766
Reserved for prepayments	5,990	-	-	5,990
Reserved for materials and supplies inventory.	20,408	-	-	20,408
Reserved for loans.	378,213	-	-	378,213
Reserved for debt service	-	147,122	-	147,122
Unreserved:				
Designated for compensated absences	256,434	-	-	256,434
Undesignated, reported in:				
Special revenue funds.	4,420,171	-	-	4,420,171
Capital projects funds.	-	-	460,278	460,278
Total fund balances.	<u>5,095,982</u>	<u>147,122</u>	<u>460,278</u>	<u>5,703,382</u>
Total liabilities and fund balances	<u>\$ 5,623,958</u>	<u>\$ 182,122</u>	<u>\$ 520,986</u>	<u>\$ 6,327,066</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Sales taxes	\$ 66,182	\$ 420,000	\$ 72,000	\$ 558,182
Charges for services	1,463,667	-	32,468	1,496,135
Licenses and permits	325,809	-	-	325,809
Fines and forfeitures	40,610	-	72,301	112,911
Intergovernmental	4,788,369	-	-	4,788,369
Investment income	26,673	-	492	27,165
Rental income	-	136,030	-	136,030
Other	303,572	-	13,029	316,601
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	7,014,882	556,030	190,290	7,761,202
Expenditures:				
Current:				
General government:				
Legislative and executive	1,289,671	-	-	1,289,671
Judicial	203,808	-	-	203,808
Public safety.	919,672	-	-	919,672
Public works.	844,879	-	-	844,879
Health	114,709	-	-	114,709
Human services	4,126,800	-	-	4,126,800
Conservation and recreation.	45,135	-	-	45,135
Capital outlay	-	-	368,258	368,258
Debt service:				
Principal retirement	-	297,000	-	297,000
Interest and fiscal charges	-	279,660	-	279,660
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	7,544,674	576,660	368,258	8,489,592
Excess (deficiency) of revenues over (under) expenditures.	(529,792)	(20,630)	(177,968)	(728,390)
Other financing sources (uses):				
Transfers in	782,981	34,470	73,506	890,957
Transfers out	(121,478)	-	(2,700)	(124,178)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	661,503	34,470	70,806	766,779
Net change in fund balances.	131,711	13,840	(107,162)	38,389
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	4,964,271	133,282	567,440	5,664,993
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 5,095,982	\$ 147,122	\$ 460,278	\$ 5,703,382

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004

	<u>Dog and Kennel</u>	<u>Public Assistance</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 48,325	\$ 308,060	\$ 318,308	\$ 73,092
Receivables (net of allowance for uncollectibles):				
Sales taxes.	-	-	-	-
Accounts	-	185	4,583	811
Loans to other funds	-	-	-	-
Due from other funds.	-	-	-	-
Due from other governments.	-	768,866	13,526	-
Prepayments	310	2,038	-	-
Materials and supplies inventory	715	3,194	-	-
Total assets	<u>\$ 49,350</u>	<u>\$ 1,082,343</u>	<u>\$ 336,417</u>	<u>\$ 73,903</u>
Liabilities:				
Accounts payable	\$ -	\$ 55,022	\$ -	\$ -
Accrued wages.	2,062	31,080	5,305	-
Loans from other funds	-	-	-	-
Due to other funds.	-	-	8,084	-
Due to other governments	1,506	50,834	1,895	-
Deferred revenue.	-	-	-	-
Total liabilities	<u>3,568</u>	<u>136,936</u>	<u>15,284</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	310	2,038	-	-
Reserved for materials and supplies inventory.	715	3,194	-	-
Reserved for loans.	-	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds.	44,757	940,175	321,133	73,903
Total fund balances.	<u>45,782</u>	<u>945,407</u>	<u>321,133</u>	<u>73,903</u>
Total liabilities and fund balances	<u>\$ 49,350</u>	<u>\$ 1,082,343</u>	<u>\$ 336,417</u>	<u>\$ 73,903</u>

<u>Real Estate Assessment</u>	<u>Delinquent Real Estate Assessment</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>	<u>Indigent Guardianship</u>	<u>General Special Projects Common Pleas</u>
\$ 158,317	\$ 13,578	\$ -	\$ 11,577	\$ 4,978	\$ 7,533
-	-	-	-	-	-
-	-	-	-	200	2,114
-	-	-	-	-	-
-	-	8,999	2,455	-	-
-	-	-	-	-	-
-	-	-	65	-	-
<u>\$ 158,317</u>	<u>\$ 13,578</u>	<u>\$ 8,999</u>	<u>\$ 14,097</u>	<u>\$ 5,178</u>	<u>\$ 9,647</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,640	1,656	980	1,242	-	-
-	-	-	-	-	-
-	4,748	-	-	-	-
2,031	658	344	937	-	-
-	-	8,999	2,455	-	-
<u>4,671</u>	<u>7,062</u>	<u>10,323</u>	<u>4,634</u>	<u>-</u>	<u>-</u>
13,972	-	-	-	-	-
-	-	-	-	-	-
-	-	-	65	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>139,674</u>	<u>6,516</u>	<u>(1,324)</u>	<u>9,398</u>	<u>5,178</u>	<u>9,647</u>
<u>153,646</u>	<u>6,516</u>	<u>(1,324)</u>	<u>9,463</u>	<u>5,178</u>	<u>9,647</u>
<u>\$ 158,317</u>	<u>\$ 13,578</u>	<u>\$ 8,999</u>	<u>\$ 14,097</u>	<u>\$ 5,178</u>	<u>\$ 9,647</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Sheriff Concealed Handgun License</u>	<u>Education and Enforcement</u>	<u>911</u>	<u>Special Projects</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,460	\$ 7,278	\$ 1,147,878	\$ 88,855
Receivables (net of allowance for uncollectibles):				
Sales taxes.	-	-	67	-
Accounts	-	78	-	1,259
Loans to other funds	-	-	-	-
Due from other funds.	-	-	-	-
Due from other governments.	-	-	-	-
Prepayments	-	-	211	-
Materials and supplies inventory	-	-	-	-
Total assets	<u>\$ 2,460</u>	<u>\$ 7,356</u>	<u>\$ 1,148,156</u>	<u>\$ 90,114</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 14,974	\$ -
Accrued wages.	-	-	-	-
Loans from other funds	-	-	-	-
Due to other funds.	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>14,974</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	-	-	211	-
Reserved for materials and supplies inventory.	-	-	-	-
Reserved for loans.	-	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds.	2,460	7,356	1,132,971	90,114
Total fund balances.	<u>2,460</u>	<u>7,356</u>	<u>1,133,182</u>	<u>90,114</u>
Total liabilities and fund balances	<u>\$ 2,460</u>	<u>\$ 7,356</u>	<u>\$ 1,148,156</u>	<u>\$ 90,114</u>

<u>Employee Expended</u>	<u>Transportation Coordination</u>	<u>Certificate Title Administration</u>	<u>Courthouse Security Grant</u>	<u>Federal Equitable Sharing</u>	<u>Scenic Byways</u>
\$ 256,434	\$ 39,012	\$ 7,106	\$ 4,875	\$ 69,172	\$ 9,250
-	-	-	-	-	-
-	-	6,021	-	-	-
-	-	-	-	-	-
-	2,995	-	-	-	-
-	-	-	-	-	-
-	2,727	-	-	-	-
-	1,576	-	-	-	-
<u>\$ 256,434</u>	<u>\$ 46,310</u>	<u>\$ 13,127</u>	<u>\$ 4,875</u>	<u>\$ 69,172</u>	<u>\$ 9,250</u>
\$ -	\$ 20,353	\$ -	\$ -	\$ -	\$ -
-	8,156	-	-	-	-
-	55,000	-	-	-	-
-	-	-	-	-	-
-	8,124	-	-	-	-
-	-	51	-	-	-
-	91,633	51	-	-	-
-	-	-	-	-	-
-	2,727	-	-	-	-
-	1,576	-	-	-	-
-	-	-	-	-	-
256,434	-	-	-	-	-
-	(49,626)	13,076	4,875	69,172	9,250
<u>256,434</u>	<u>(45,323)</u>	<u>13,076</u>	<u>4,875</u>	<u>69,172</u>	<u>9,250</u>
<u>\$ 256,434</u>	<u>\$ 46,310</u>	<u>\$ 13,127</u>	<u>\$ 4,875</u>	<u>\$ 69,172</u>	<u>\$ 9,250</u>

- - Continued

HOLMES COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2004

	Community Development	Domestic Violence	Jail Kitchen	Indigent Drivers Alcohol
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,875	\$ 2,324	\$ 3,390	\$ 72,227
Receivables (net of allowance for uncollectibles):				
Sales taxes	-	-	-	-
Accounts	-	299	-	2,275
Loans to other funds	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	14,115	-
Total assets	<u>\$ 4,875</u>	<u>\$ 2,623</u>	<u>\$ 17,505</u>	<u>\$ 74,502</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 7,277	\$ -
Accrued wages	-	-	3,198	-
Loans from other funds	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	2,227	-
Deferred revenue	-	-	-	1,418
Total liabilities	<u>-</u>	<u>-</u>	<u>12,702</u>	<u>1,418</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	-	-	-	-
Reserved for materials and supplies inventory	-	-	14,115	-
Reserved for loans	-	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	4,875	2,623	(9,312)	73,084
Total fund balances	<u>4,875</u>	<u>2,623</u>	<u>4,803</u>	<u>73,084</u>
Total liabilities and fund balances	<u>\$ 4,875</u>	<u>\$ 2,623</u>	<u>\$ 17,505</u>	<u>\$ 74,502</u>

Tax Map	Probate Court Conduct of Business	Disaster Services	Community Housing Improvement	Youth Services Subsidy Grant	Recycling and Litter
\$ 99,395	\$ 50,980	\$ 82,964	\$ 21,897	\$ 135,055	\$ 88,426
-	-	-	-	-	-
-	37	-	-	189	29,718
-	-	-	-	-	-
-	-	-	-	-	-
-	34,545	-	84,450	26,053	-
-	-	144	-	-	560
-	-	170	-	-	216
<u>\$ 99,395</u>	<u>\$ 85,562</u>	<u>\$ 83,278</u>	<u>\$ 106,347</u>	<u>\$ 161,297</u>	<u>\$ 118,920</u>
\$ -	\$ 1,400	\$ -	\$ -	\$ -	\$ -
-	-	1,316	-	2,857	2,684
-	-	-	-	-	-
-	-	-	-	-	-
-	619	966	-	2,074	2,114
-	17,272	-	84,450	-	21,812
-	19,291	2,282	84,450	4,931	26,610
-	-	-	-	794	-
-	-	144	-	-	560
-	-	170	-	-	216
-	-	-	-	-	-
-	-	-	-	-	-
<u>99,395</u>	<u>66,271</u>	<u>80,682</u>	<u>21,897</u>	<u>155,572</u>	<u>91,534</u>
<u>99,395</u>	<u>66,271</u>	<u>80,996</u>	<u>21,897</u>	<u>156,366</u>	<u>92,310</u>
<u>\$ 99,395</u>	<u>\$ 85,562</u>	<u>\$ 83,278</u>	<u>\$ 106,347</u>	<u>\$ 161,297</u>	<u>\$ 118,920</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2004

	Wastewater Treatment Rotary	Children Services	Community Corrections	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 72,000	\$ 798,834	\$ 85,526	\$ 4,093,981
Receivables (net of allowance for uncollectibles):				
Sales taxes.	-	-	-	67
Accounts	-	-	-	47,769
Loans to other funds	378,213	-	-	378,213
Due from other funds.	-	-	-	2,995
Due from other governments.	-	135,641	-	1,074,535
Prepayments	-	-	-	5,990
Materials and supplies inventory	357	-	-	20,408
Total assets	<u>\$ 450,570</u>	<u>\$ 934,475</u>	<u>\$ 85,526</u>	<u>\$ 5,623,958</u>
Liabilities:				
Accounts payable	\$ -	\$ 1,021	\$ -	\$ 100,047
Accrued wages.	-	1,420	-	64,596
Loans from other funds	-	-	-	55,000
Due to other funds.	-	-	-	12,832
Due to other governments.	-	224	-	74,553
Deferred revenue.	-	84,491	-	220,948
Total liabilities	<u>-</u>	<u>87,156</u>	<u>-</u>	<u>527,976</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	14,766
Reserved for prepayments	-	-	-	5,990
Reserved for materials and supplies inventory.	357	-	-	20,408
Reserved for loans.	378,213	-	-	378,213
Unreserved:				
Designated for compensated absences	-	-	-	256,434
Undesignated (deficit), reported in:				
Special revenue funds.	72,000	847,319	85,526	4,420,171
Total fund balances.	<u>450,570</u>	<u>847,319</u>	<u>85,526</u>	<u>5,095,982</u>
Total liabilities and fund balances	<u>\$ 450,570</u>	<u>\$ 934,475</u>	<u>\$ 85,526</u>	<u>\$ 5,623,958</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Dog and Kennel</u>	<u>Public Assistance</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	57,874	-
Licenses and permits	125,269	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	1,910,602	490,695	133,817
Investment income	-	-	-	-
Other	2,506	161,993	-	811
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	127,775	2,072,595	548,569	134,628
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety.	-	-	-	-
Public works.	-	-	-	-
Health	114,709	-	-	-
Human services	-	2,239,953	514,995	60,725
Conservation and recreation.	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	114,709	2,239,953	514,995	60,725
Excess (deficiency) of revenues over (under) expenditures.	13,066	(167,358)	33,574	73,903
Other financing sources (uses):				
Transfers in.	-	145,688	90,776	-
Transfers out.	(10,000)	-	-	-
Total other financing sources (uses)	(10,000)	145,688	90,776	-
Net change in fund balances	3,066	(21,670)	124,350	73,903
Fund balance (deficit) at beginning of year . .	<hr/>	<hr/>	<hr/>	<hr/>
	42,716	967,077	196,783	-
Fund balance (deficit) at end of year.	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 45,782	\$ 945,407	\$ 321,133	\$ 73,903

<u>Real Estate Assessment</u>	<u>Delinquent Real Collection</u>	<u>Road & Bridge Contribution</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>	<u>Indigent Guardianship</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
339,228	61,444	-	-	-	3,460
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	46,488	51,751	-
-	-	-	-	-	-
145	-	70,000	-	-	-
<u>339,373</u>	<u>61,444</u>	<u>70,000</u>	<u>46,488</u>	<u>51,751</u>	<u>3,460</u>
373,785	67,980	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,282
-	-	70,000	-	-	-
-	-	-	-	-	-
-	-	-	-	69,283	-
-	-	-	45,135	-	-
<u>373,785</u>	<u>67,980</u>	<u>70,000</u>	<u>45,135</u>	<u>69,283</u>	<u>4,282</u>
<u>(34,412)</u>	<u>(6,536)</u>	<u>-</u>	<u>1,353</u>	<u>(17,532)</u>	<u>(822)</u>
-	-	-	-	16,138	-
-	-	-	-	-	-
-	-	-	-	16,138	-
(34,412)	(6,536)	-	1,353	(1,394)	(822)
188,058	13,052	-	(2,677)	10,857	6,000
<u>\$ 153,646</u>	<u>\$ 6,516</u>	<u>\$ -</u>	<u>\$ (1,324)</u>	<u>\$ 9,463</u>	<u>\$ 5,178</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Common Pleas</u>	<u>Sheriff Concealed Handgun License</u>	<u>Education and Enforcement</u>	<u>Help America Vote Act</u>
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	23,523	-	-
Fines and forfeitures	21,751	-	921	-
Intergovernmental	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>21,751</u>	<u>23,523</u>	<u>921</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	-
Judicial	12,104	-	-	-
Public safety.	-	21,063	5,165	-
Public works.	-	-	-	-
Health	-	-	-	-
Human services	-	-	-	6,000
Conservation and recreation.	-	-	-	-
Total expenditures	<u>12,104</u>	<u>21,063</u>	<u>5,165</u>	<u>6,000</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>9,647</u>	<u>2,460</u>	<u>(4,244)</u>	<u>(6,000)</u>
Other financing sources (uses):				
Transfers in.	-	-	-	-
Transfers out.	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,647	2,460	(4,244)	(6,000)
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>11,600</u>	<u>6,000</u>
Fund balance (deficit) at end of year.	<u>\$ 9,647</u>	<u>\$ 2,460</u>	<u>\$ 7,356</u>	<u>\$ -</u>

<u>911</u>	<u>Special Projects</u>	<u>Employee Expended</u>	<u>Transportation Coordination</u>	<u>Certificate Title Administration</u>	<u>Courthouse Security Grant</u>
\$ 182	\$ -	\$ -	\$ -	\$ -	\$ -
-	22,059	-	457,914	88,652	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	152,434	-	-
26,654	19	-	-	-	-
-	1,462	-	-	-	-
<u>26,836</u>	<u>23,540</u>	<u>-</u>	<u>610,348</u>	<u>88,652</u>	<u>-</u>
-	-	-	-	87,001	-
-	62,201	-	-	-	-
207,000	-	-	-	-	3,441
-	-	-	607,175	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>207,000</u>	<u>62,201</u>	<u>-</u>	<u>607,175</u>	<u>87,001</u>	<u>3,441</u>
<u>(180,164)</u>	<u>(38,661)</u>	<u>-</u>	<u>3,173</u>	<u>1,651</u>	<u>(3,441)</u>
-	-	-	31,206	-	-
-	-	(105,715)	-	-	-
-	-	(105,715)	31,206	-	-
(180,164)	(38,661)	(105,715)	34,379	1,651	(3,441)
<u>1,313,346</u>	<u>128,775</u>	<u>362,149</u>	<u>(79,702)</u>	<u>11,425</u>	<u>8,316</u>
<u>\$ 1,133,182</u>	<u>\$ 90,114</u>	<u>\$ 256,434</u>	<u>\$ (45,323)</u>	<u>\$ 13,076</u>	<u>\$ 4,875</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Federal Equitable Sharing</u>	<u>Youthful Impaired Driver</u>	<u>Scenic Byways</u>	<u>Community Development</u>
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	90,535	-	-	127,200
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>90,535</u>	<u>-</u>	<u>-</u>	<u>127,200</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	122,325
Judicial	-	-	-	-
Public safety.	40,565	-	-	-
Public works.	-	-	-	-
Health	-	-	-	-
Human services	-	-	-	-
Conservation and recreation.	-	-	-	-
Total expenditures	<u>40,565</u>	<u>-</u>	<u>-</u>	<u>122,325</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>49,970</u>	<u>-</u>	<u>-</u>	<u>4,875</u>
Other financing sources (uses):				
Transfers in.	-	-	-	-
Transfers out.	-	(5,763)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(5,763)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	49,970	(5,763)	-	4,875
Fund balance (deficit) at beginning of year . .	<u>19,202</u>	<u>5,763</u>	<u>9,250</u>	<u>-</u>
Fund balance (deficit) at end of year.	<u>\$ 69,172</u>	<u>\$ -</u>	<u>\$ 9,250</u>	<u>\$ 4,875</u>

Domestic Violence	Jail Kitchen	Indigent Drivers Alcohol	Tax Map	Probate Court Conduct of Business	Disaster Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,835	557	-	425,644	-	-
-	-	-	-	-	-
299	-	6,742	-	10,897	-
-	-	-	-	68,877	63,673
-	-	-	-	-	-
-	-	-	4,727	-	-
<u>7,134</u>	<u>557</u>	<u>6,742</u>	<u>430,371</u>	<u>79,774</u>	<u>63,673</u>
-	-	-	391,593	-	-
-	-	-	-	129,503	-
-	-	-	-	-	88,666
-	-	-	-	-	-
-	-	-	-	-	-
4,098	220,906	-	-	-	-
-	-	-	-	-	-
<u>4,098</u>	<u>220,906</u>	<u>-</u>	<u>391,593</u>	<u>129,503</u>	<u>88,666</u>
<u>3,036</u>	<u>(220,349)</u>	<u>6,742</u>	<u>38,778</u>	<u>(49,729)</u>	<u>(24,993)</u>
-	200,000	-	-	-	35,000
-	-	-	-	-	-
-	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
3,036	(20,349)	6,742	38,778	(49,729)	10,007
(413)	25,152	66,342	60,617	116,000	70,989
<u>\$ 2,623</u>	<u>\$ 4,803</u>	<u>\$ 73,084</u>	<u>\$ 99,395</u>	<u>\$ 66,271</u>	<u>\$ 80,996</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Community Housing Improvement	Youth Services Subsidy Grant	Recycling and Litter	Wastewater Treatment Rotary
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ 66,000
Charges for services	-	-	-	-
Licenses and permits	-	-	177,017	-
Fines and forfeitures	-	-	-	-
Intergovernmental	187,443	180,145	-	-
Investment income	-	-	-	-
Other	16,551	2,367	-	64
Total revenues	<u>203,994</u>	<u>182,512</u>	<u>177,017</u>	<u>66,064</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	246,987	-	-	-
Judicial	-	-	-	-
Public safety.	-	182,817	-	-
Public works.	-	-	167,704	-
Health	-	-	-	-
Human services	-	-	-	-
Conservation and recreation.	-	-	-	-
Total expenditures	<u>246,987</u>	<u>182,817</u>	<u>167,704</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(42,993)</u>	<u>(305)</u>	<u>9,313</u>	<u>66,064</u>
Other financing sources (uses):				
Transfers in.	-	-	-	-
Transfers out.	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(42,993)	(305)	9,313	66,064
Fund balance (deficit) at beginning of year . .	<u>64,890</u>	<u>156,671</u>	<u>82,997</u>	<u>384,506</u>
Fund balance (deficit) at end of year.	<u>\$ 21,897</u>	<u>\$ 156,366</u>	<u>\$ 92,310</u>	<u>\$ 450,570</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Children Services</u>	<u>Community Corrections</u>	<u>Totals</u>
Revenues:			
Sales taxes	\$ -	\$ -	\$ 66,182
Charges for services	-	-	1,463,667
Licenses and permits	-	-	325,809
Fines and forfeitures	-	-	40,610
Intergovernmental	832,588	452,121	4,788,369
Investment income	-	-	26,673
Other	42,946	-	303,572
	<hr/>	<hr/>	<hr/>
Total revenues	875,534	452,121	7,014,882
Expenditures:			
Current:			
General government:			
Legislative and executive	-	-	1,289,671
Judicial	-	-	203,808
Public safety.	-	366,673	919,672
Public works.	-	-	844,879
Health	-	-	114,709
Human services	1,010,840	-	4,126,800
Conservation and recreation.	-	-	45,135
	<hr/>	<hr/>	<hr/>
Total expenditures	1,010,840	366,673	7,544,674
Excess (deficiency) of revenues over (under) expenditures.	<hr/> (135,306)	<hr/> 85,448	<hr/> (529,792)
Other financing sources (uses):			
Transfers in.	264,173	-	782,981
Transfers out.	-	-	(121,478)
Total other financing sources (uses)	<hr/> 264,173	<hr/> -	<hr/> 661,503
Net change in fund balances	128,867	85,448	131,711
Fund balance (deficit) at beginning of year . .	<hr/> 718,452	<hr/> 78	<hr/> 4,964,271
Fund balance (deficit) at end of year.	<hr/> <u>\$ 847,319</u>	<hr/> <u>\$ 85,526</u>	<hr/> <u>\$ 5,095,982</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE AND GAS TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 32,625	\$ (3,375)
Intergovernmental	3,614,510	3,744,510	3,566,575	(177,935)
Other	50,000	50,000	121,745	71,745
Total revenues	3,700,510	3,830,510	3,720,945	(109,565)
Expenditures:				
Current:				
Public works				
Personal services	710,224	694,219	480,306	213,913
Materials and supplies	1,436,204	1,403,839	1,130,274	273,565
Contractual services	2,098,317	2,051,031	1,796,808	254,223
Capital outlay	777,705	760,179	212,702	547,477
Other	412,605	403,307	275,148	128,159
Total expenditures	5,435,055	5,312,575	3,895,238	1,417,337
Excess (deficiency) of revenues over (under) expenditures	(1,734,545)	(1,482,065)	(174,293)	1,307,772
Other financing sources (uses):				
Transfers in	10,000	10,000	-	(10,000)
Total other financing sources (uses)	10,000	10,000	-	(10,000)
Net change in fund balance	(1,724,545)	(1,472,065)	(174,293)	1,297,772
Fund balance at beginning of year	1,724,545	1,724,545	1,724,545	-
Prior year encumbrances appropriated	174,755	174,755	174,755	-
Fund balance at end of year	\$ 174,755	\$ 427,235	\$ 1,725,007	\$ 1,297,772

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF MR/DD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 2,826,880	\$ 2,826,880	\$ 2,911,722	\$ 84,842
Charges for services	59,500	59,500	71,159	11,659
Intergovernmental	1,996,610	1,996,610	1,997,663	1,053
Interest	500	500	656	156
Other	6,500	46,500	36,994	(9,506)
Total revenues	4,889,990	4,929,990	5,018,194	88,204
Expenditures:				
Current:				
Human services				
Personal services.	3,563,246	3,588,002	3,471,746	116,256
Materials and supplies	224,379	225,938	210,185	15,753
Contractual services	1,247,794	1,256,463	1,108,585	147,878
Capital outlay	162,868	164,000	120,636	43,364
Other.	32,029	32,252	17,518	14,734
Total expenditures	5,230,316	5,266,655	4,928,670	337,985
Excess (deficiency) of revenues over (under) expenditures	(340,326)	(336,665)	89,524	426,189
Other financing sources (uses):				
Transfers in	42,291	42,291	-	(42,291)
Transfers out	(89,762)	(93,291)	(55,000)	38,291
Total other financing sources (uses)	(47,471)	(51,000)	(55,000)	(4,000)
Net change in fund balance.	(387,797)	(387,665)	34,524	422,189
Fund balance at beginning of year	1,770,746	1,770,746	1,770,746	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1,382,949	\$ 1,383,081	\$ 1,805,270	\$ 422,189

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY HOME FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and other taxes	\$ 846,700	\$ 846,700	\$ 866,048	\$ 19,348
Charges for services.	470,000	470,000	437,525	(32,475)
Intergovernmental	82,000	82,000	85,188	3,188
Rentals	42,928	42,928	41,165	(1,763)
Other	8,000	8,000	9,011	1,011
	<u>1,449,628</u>	<u>1,449,628</u>	<u>1,438,937</u>	<u>(10,691)</u>
Expenditures:				
Current:				
Human services				
Personal services	1,169,795	1,169,795	1,147,453	22,342
Materials and supplies	183,505	183,505	177,548	5,957
Contractual services	93,071	93,071	88,183	4,888
Capital outlay	272,129	272,129	210,305	61,824
Other.	6,000	6,000	5,850	150
	<u>1,724,500</u>	<u>1,724,500</u>	<u>1,629,339</u>	<u>95,161</u>
Total expenditures	<u>1,724,500</u>	<u>1,724,500</u>	<u>1,629,339</u>	<u>95,161</u>
Net change in fund balance.	(274,872)	(274,872)	(190,402)	84,470
Fund balance at beginning of year.	318,856	318,856	318,856	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 43,984</u>	<u>\$ 43,984</u>	<u>\$ 128,454</u>	<u>\$ 84,470</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DOG AND KENNEL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 114,500	\$ 114,500	\$ 125,269	\$ 10,769
Other	2,500	2,500	2,506	6
Total revenues	<u>117,000</u>	<u>117,000</u>	<u>127,775</u>	<u>10,775</u>
Expenditures:				
Current:				
Health				
Personal services.	85,389	112,041	104,444	7,597
Materials and supplies	2,820	3,700	2,602	1,098
Other.	8,383	11,000	10,286	714
Total expenditures	<u>96,592</u>	<u>126,741</u>	<u>117,332</u>	<u>9,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,408</u>	<u>(9,741)</u>	<u>10,443</u>	<u>20,184</u>
Other financing sources:				
Transfers out	<u>(7,621)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources	<u>(7,621)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance.	12,787	(19,741)	443	20,184
Fund balance at beginning of year	47,882	47,882	47,882	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 60,669</u>	<u>\$ 28,141</u>	<u>\$ 48,325</u>	<u>\$ 20,184</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PUBLIC ASSISTANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,746,913	\$ 2,746,913	\$ 2,046,723	\$ (700,190)
Other	220,731	220,731	171,937	(48,794)
Total revenues	<u>2,967,644</u>	<u>2,967,644</u>	<u>2,218,660</u>	<u>(748,984)</u>
Expenditures:				
Current:				
Human services				
Personal services	1,156,578	1,156,578	920,472	236,106
Materials and supplies	56,000	56,000	31,844	24,156
Contractual services	810,000	810,000	552,563	257,437
Capital outlay	50,000	50,000	28,094	21,906
Other	1,542,189	1,542,189	807,186	735,003
Total expenditures	<u>3,614,767</u>	<u>3,614,767</u>	<u>2,340,159</u>	<u>1,274,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(647,123)</u>	<u>(647,123)</u>	<u>(121,499)</u>	<u>525,624</u>
Other financing sources (uses):				
Transfers in	300,063	300,063	145,688	(154,375)
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	-	3,000
Total other financing sources (uses)	<u>297,063</u>	<u>297,063</u>	<u>145,688</u>	<u>(151,375)</u>
Net change in fund balance	(350,060)	(350,060)	24,189	374,249
Fund balance at beginning of year	283,871	283,871	283,871	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ (66,189)</u>	<u>\$ (66,189)</u>	<u>\$ 308,060</u>	<u>\$ 374,249</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILD SUPPORT ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 48,500	\$ 48,500	\$ 53,290	\$ 4,790
Intergovernmental	885,323	885,323	494,788	(390,535)
Total revenues	<u>933,823</u>	<u>933,823</u>	<u>548,078</u>	<u>(385,745)</u>
Expenditures:				
Current:				
Human services				
Personal services.	301,380	301,380	268,323	33,057
Materials and supplies	3,000	3,000	286	2,714
Contractual services	206,000	206,000	149,159	56,841
Other.	361,603	361,603	177,791	183,812
Total expenditures	<u>871,983</u>	<u>871,983</u>	<u>595,559</u>	<u>276,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,840</u>	<u>61,840</u>	<u>(47,481)</u>	<u>(109,321)</u>
Other financing sources (uses):				
Transfers in	90,776	90,776	90,776	-
Transfers out	(427,629)	(427,629)	-	427,629
Total other financing sources (uses).	<u>(336,853)</u>	<u>(336,853)</u>	<u>90,776</u>	<u>427,629</u>
Net change in fund balance	(275,013)	(275,013)	43,295	318,308
Fund balance at beginning of year	275,013	275,013	275,013	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,308</u>	<u>\$ 318,308</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORK ENFORCEMENT ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 117,000	\$ 133,817	\$ 16,817
Other	-	7,000	-	(7,000)
Total revenues	-	124,000	133,817	9,817
Expenditures:				
Human Services				
Personal services.	-	97,000	60,725	36,275
Other.	-	7,000	-	7,000
Total expenditures	-	104,000	60,725	43,275
Excess (deficiency) of revenues over (under) expenditures	-	20,000	73,092	53,092
Other financing uses:				
Transfers out.	-	(20,000)	-	20,000
Total other financing uses	-	(20,000)	-	20,000
Net change in fund balance.	-	-	73,092	73,092
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 73,092	\$ 73,092

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILD NEGLECT AND ABUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Total revenues.	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Expenditures:				
Current:				
Human services				
Other.	<u>24,147</u>	<u>24,147</u>	<u>-</u>	<u>24,147</u>
Total expenditures	<u>24,147</u>	<u>24,147</u>	<u>-</u>	<u>24,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,147)</u>	<u>(6,147)</u>	<u>-</u>	<u>6,147</u>
Other financing sources:				
Transfers in	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Total other financing sources	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Net change in fund balance.	<u>(4,647)</u>	<u>(4,647)</u>	<u>-</u>	<u>4,647</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ (4,647)</u>	<u>\$ (4,647)</u>	<u>\$ -</u>	<u>\$ 4,647</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REAL ESTATE ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 325,500	\$ 325,500	\$ 339,228	\$ 13,728
Other	250	250	145	(105)
Total revenues	<u>325,750</u>	<u>325,750</u>	<u>339,373</u>	<u>13,623</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	155,399	162,942	149,755	13,187
Materials and supplies	16,213	17,000	14,290	2,710
Contractual services	239,332	250,950	226,729	24,221
Other	<u>17,909</u>	<u>18,778</u>	<u>4,057</u>	<u>14,721</u>
Total expenditures	<u>428,853</u>	<u>449,670</u>	<u>394,831</u>	<u>54,839</u>
Net change in fund balance	(103,103)	(123,920)	(55,458)	68,462
Fund balance at beginning of year	196,670	196,670	196,670	-
Prior year encumbrances appropriated	<u>3,133</u>	<u>3,133</u>	<u>3,133</u>	<u>-</u>
Fund balance at end of year	<u>\$ 96,700</u>	<u>\$ 75,883</u>	<u>\$ 144,345</u>	<u>\$ 68,462</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DELINQUENT REAL ESTATE COLLECTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 50,000	\$ 59,968	\$ 61,444	\$ 1,476
Total revenues.	<u>50,000</u>	<u>59,968</u>	<u>61,444</u>	<u>1,476</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	55,219	65,516	56,791	8,725
Other.	<u>5,219</u>	<u>9,490</u>	<u>6,199</u>	<u>3,291</u>
Total expenditures	<u>60,438</u>	<u>75,006</u>	<u>62,990</u>	<u>12,016</u>
Net change in fund balance	(10,438)	(15,038)	(1,546)	13,492
Fund balance at beginning of year	15,124	15,124	15,124	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,686</u>	<u>\$ 86</u>	<u>\$ 13,578</u>	<u>\$ 13,492</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ROAD AND BRIDGE CONTRIBUTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other	\$ 25,000	\$ 70,000	\$ 70,000	\$ -
Total revenues	<u>25,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Expenditures:				
Current:				
Public works				
Contractual services	<u>25,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total expenditures	<u>25,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ODNR GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 45,149	\$ 46,489	\$ 46,488	\$ (1)
Total revenues.	<u>45,149</u>	<u>46,489</u>	<u>46,488</u>	<u>(1)</u>
Expenditures:				
Current:				
Conservation and recreation				
Personal services.	<u>45,000</u>	<u>46,340</u>	<u>46,339</u>	<u>1</u>
Total expenditures	<u>45,000</u>	<u>46,340</u>	<u>46,339</u>	<u>1</u>
Net change in fund balance	149	149	149	-
Fund balance at beginning of year	(149)	(149)	(149)	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VICTIM'S ASSISTANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 40,096	\$ 93,357	\$ 57,047	\$ (36,310)
Total revenues	<u>40,096</u>	<u>93,357</u>	<u>57,047</u>	<u>(36,310)</u>
Expenditures:				
Current:				
Human services				
Personal services	50,985	114,579	64,940	49,639
Materials and supplies	788	1,770	755	1,015
Contractual services	2,011	4,520	2,249	2,271
Other	<u>1,855</u>	<u>4,168</u>	<u>3,297</u>	<u>871</u>
Total expenditures	<u>55,639</u>	<u>125,037</u>	<u>71,241</u>	<u>53,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,543)</u>	<u>(31,680)</u>	<u>(14,194)</u>	<u>17,486</u>
Other financing sources:				
Transfers in	<u>12,104</u>	<u>28,241</u>	<u>16,138</u>	<u>(12,103)</u>
Total other financing sources	<u>12,104</u>	<u>28,241</u>	<u>16,138</u>	<u>(12,103)</u>
Net change in fund balance	(3,439)	(3,439)	1,944	5,383
Fund balance at beginning of year	7,503	7,503	7,503	-
Prior year encumbrances appropriated	<u>2,130</u>	<u>2,130</u>	<u>2,130</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,194</u>	<u>\$ 6,194</u>	<u>\$ 11,577</u>	<u>\$ 5,383</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT GUARDIANSHIP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 3,400	\$ 3,400	\$ 3,260	\$ (140)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>3,260</u>	<u>(140)</u>
Expenditures:				
Current:				
Public safety				
Materials and supplies	<u>5,000</u>	<u>8,000</u>	<u>5,270</u>	<u>2,730</u>
Total expenditures	<u>5,000</u>	<u>8,000</u>	<u>5,270</u>	<u>2,730</u>
Net change in fund balance.	(1,600)	(4,600)	(2,010)	2,590
Fund balance at beginning of year	6,988	6,988	6,988	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,388</u>	<u>\$ 2,388</u>	<u>\$ 4,978</u>	<u>\$ 2,590</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL SPECIAL PROJECTS COMMON PLEAS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 5,000	\$ 13,513	\$ 19,637	\$ 6,124
Total revenues	<u>5,000</u>	<u>13,513</u>	<u>19,637</u>	<u>6,124</u>
Expenditures:				
Current:				
General government - judicial				
Contractual services	-	12,104	12,104	-
Total expenditures	<u>-</u>	<u>12,104</u>	<u>12,104</u>	<u>-</u>
Net change in fund balance	5,000	1,409	7,533	6,124
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 5,000</u>	<u>\$ 1,409</u>	<u>\$ 7,533</u>	<u>\$ 6,124</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SHERIFF CONCEALED HANDGUN LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ -	\$ 22,923	\$ 23,523	\$ 600
Total revenues	<u>-</u>	<u>22,923</u>	<u>23,523</u>	<u>600</u>
Expenditures:				
Current:				
Public Safety				
Personal services.	-	21,377	20,877	500
Materials and supplies	-	1,000	186	814
Total expenditures	<u>-</u>	<u>22,377</u>	<u>21,063</u>	<u>1,314</u>
Net change in fund balance	-	546	2,460	1,914
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 546</u>	<u>\$ 2,460</u>	<u>\$ 1,914</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EDUCATION AND ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 500	\$ 500	\$ 1,023	\$ 523
Total revenues.	<u>500</u>	<u>500</u>	<u>1,023</u>	<u>523</u>
Expenditures:				
Current:				
Public safety				
Other.	-	6,500	5,165	1,335
Total expenditures	<u>-</u>	<u>6,500</u>	<u>5,165</u>	<u>1,335</u>
Net change in fund balance.	500	(6,000)	(4,142)	1,858
Fund balance at beginning of year	11,420	11,420	11,420	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,920</u>	<u>\$ 5,420</u>	<u>\$ 7,278</u>	<u>\$ 1,858</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HELP AMERICA VOTE ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Current:				
Human services				
Materials and supplies	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Capital outlay	6,477	6,477	6,477	-
Total expenditures	<u>12,477</u>	<u>12,477</u>	<u>12,477</u>	<u>-</u>
Net change in fund balance.	(12,477)	(12,477)	(12,477)	-
Fund balance at beginning of year	12,477	12,477	12,477	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 911 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 400	\$ 400	\$ 115	\$ (285)
Interest	35,500	35,500	27,211	(8,289)
Total revenues	<u>35,900</u>	<u>35,900</u>	<u>27,326</u>	<u>(8,574)</u>
Expenditures:				
Current:				
Public safety				
Materials and supplies.	340	500	-	500
Contractual services.	146,320	215,200	200,807	14,393
Other.	2,040	3,000	2,490	510
Total expenditures	<u>148,700</u>	<u>218,700</u>	<u>203,297</u>	<u>15,403</u>
Net change in fund balance.	(112,800)	(182,800)	(175,971)	6,829
Fund balance at beginning of year	1,323,550	1,323,550	1,323,550	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1,210,750</u>	<u>\$ 1,140,750</u>	<u>\$ 1,147,579</u>	<u>\$ 6,829</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 19,000	\$ 19,000	\$ 23,758	\$ 4,758
Other	200	200	203	3
Total revenues	<u>19,200</u>	<u>19,200</u>	<u>23,961</u>	<u>4,761</u>
Expenditures:				
Current:				
General government - judicial				
Materials and supplies	<u>70,000</u>	<u>70,000</u>	<u>62,201</u>	<u>7,799</u>
Total expenditures	<u>70,000</u>	<u>70,000</u>	<u>62,201</u>	<u>7,799</u>
Net change in fund balance.	(50,800)	(50,800)	(38,240)	12,560
Fund balance at beginning of year	127,076	127,076	127,076	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 76,276</u>	<u>\$ 76,276</u>	<u>\$ 88,836</u>	<u>\$ 12,560</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE EXPENDED FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	\$ 14,285	\$ 14,285	\$ -	\$ 14,285
Total expenditures	14,285	14,285	-	14,285
Excess (deficiency) of revenues over (under) expenditures	(14,285)	(14,285)	-	14,285
Other financing uses :				
Transfers out	(105,715)	(105,715)	(105,715)	-
Total other financing uses	(105,715)	(105,715)	(105,715)	-
Net change in fund balance	(120,000)	(120,000)	(105,715)	14,285
Fund balance at beginning of year	362,149	362,149	362,149	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 242,149</u>	<u>\$ 242,149</u>	<u>\$ 256,434</u>	<u>\$ 14,285</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TRANSPORTATION COORDINATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 360,590	\$ 453,214	\$ 486,181	\$ 32,967
Intergovernmental	85,100	127,534	127,534	-
Total revenues	445,690	580,748	613,715	32,967
Expenditures:				
Current:				
Public works				
Personal services.	299,457	384,027	383,616	411
Materials and supplies	59,045	75,720	75,720	-
Contractual services	63,605	81,568	81,568	-
Capital outlay	64,643	82,898	82,898	-
Other.	14,215	16,477	16,477	-
Total expenditures	500,965	640,690	640,279	411
Excess (deficiency) of revenues over (under) expenditures.	(55,275)	(59,942)	(26,564)	33,378
Other financing sources:				
Transfers in	31,106	31,206	31,206	-
Total other financing sources	31,106	31,206	31,206	-
Net change in fund balance.	(24,169)	(28,736)	4,642	33,378
Fund balance at beginning of year	34,370	34,370	34,370	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 10,201</u>	<u>\$ 5,634</u>	<u>\$ 39,012</u>	<u>\$ 33,378</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CERTIFICATE TITLE ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 95,000	\$ 95,000	\$ 90,119	\$ (4,881)
Total revenues.	<u>95,000</u>	<u>95,000</u>	<u>90,119</u>	<u>(4,881)</u>
Expenditures:				
Current:				
General government - legislative and executive				
Other.	<u>95,000</u>	<u>107,000</u>	<u>107,001</u>	<u>(1)</u>
Total expenditures	<u>95,000</u>	<u>107,000</u>	<u>107,001</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(12,000)</u>	<u>(16,882)</u>	<u>(4,882)</u>
Net change in fund balance.	-	(12,000)	(16,882)	(4,882)
Fund balance at beginning of year	23,988	23,988	23,988	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 23,988</u>	<u>\$ 11,988</u>	<u>\$ 7,106</u>	<u>\$ (4,882)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURTHOUSE SECURITY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Capital outlay	\$ -	\$ 5,000	\$ 3,441	\$ 1,559
Total expenditures	-	5,000	3,441	1,559
Net change in fund balance	-	(5,000)	(3,441)	1,559
Fund balance at beginning of year	8,316	8,316	8,316	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 8,316</u>	<u>\$ 3,316</u>	<u>\$ 4,875</u>	<u>\$ 1,559</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 82,335	\$ 90,535	\$ 8,200
Total revenues	<u>-</u>	<u>82,335</u>	<u>90,535</u>	<u>8,200</u>
Expenditures:				
Current:				
Public safety				
Capital outlay.	<u>-</u>	<u>101,537</u>	<u>40,565</u>	<u>60,972</u>
Total expenditures	<u>-</u>	<u>101,537</u>	<u>40,565</u>	<u>60,972</u>
Net change in fund balance.	-	(19,202)	49,970	69,172
Fund balance at beginning of year	19,202	19,202	19,202	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 19,202</u>	<u>\$ -</u>	<u>\$ 69,172</u>	<u>\$ 69,172</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTHFUL IMPAIRED DRIVER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	\$ -	\$ (5,763)	\$ (5,763)	\$ -
Total other financing uses.	-	(5,763)	(5,763)	-
Net change in fund balance.	-	(5,763)	(5,763)	-
Fund balance at beginning of year	5,763	5,763	5,763	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 5,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCENIC BYWAYS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Expenditures:				
Current:				
Conservation and recreation				
Other	4,000	4,000	4,000	-
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	\$ 9,250	\$ 9,250	\$ 9,250	\$ -
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 9,250</u>	<u>\$ 9,250</u>	<u>\$ 9,250</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
Intergovernmental	\$ 211,000	\$ 211,000	\$ 127,200	\$ (83,800)
Other	-	-	-	-
Total revenues	<u>211,000</u>	<u>211,000</u>	<u>127,200</u>	<u>(83,800)</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	31,000	31,000	28,765	2,235
Contractual services	<u>180,000</u>	<u>180,000</u>	<u>93,560</u>	<u>86,440</u>
Total expenditures	<u>211,000</u>	<u>211,000</u>	<u>122,325</u>	<u>88,675</u>
Net change in fund balance.	-	-	4,875	4,875
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,875</u>	<u>\$ 4,875</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DOMESTIC VIOLENCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 8,000	\$ 8,000	\$ 6,835	\$ (1,165)
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>6,835</u>	<u>(1,165)</u>
Expenditures:				
Current:				
Human services				
Contractual services	<u>10,000</u>	<u>10,000</u>	<u>7,917</u>	<u>2,083</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,917</u>	<u>2,083</u>
Net change in fund balance	(2,000)	(2,000)	(1,082)	918
Fund balance at beginning of year	3,406	3,406	3,406	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,406</u>	<u>\$ 1,406</u>	<u>\$ 2,324</u>	<u>\$ 918</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JAIL KITCHEN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 16,867	\$ 16,867	\$ 557	\$ (16,310)
Total revenues.	<u>16,867</u>	<u>16,867</u>	<u>557</u>	<u>(16,310)</u>
Expenditures:				
Current:				
Human services				
Personal services.	148,631	148,631	147,421	1,210
Materials and supplies	79,567	79,567	77,772	1,795
Contractual services	8,050	8,050	7,413	637
Other.	450	450	-	450
Total expenditures	<u>236,698</u>	<u>236,698</u>	<u>232,606</u>	<u>4,092</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(219,831)</u>	<u>(219,831)</u>	<u>(232,049)</u>	<u>(12,218)</u>
Other financing sources:				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance.	<u>(19,831)</u>	<u>(19,831)</u>	<u>(32,049)</u>	<u>(12,218)</u>
Fund balance at beginning of year	<u>35,439</u>	<u>35,439</u>	<u>35,439</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 15,608</u>	<u>\$ 15,608</u>	<u>\$ 3,390</u>	<u>\$ (12,218)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 4,500	\$ 4,500	\$ 6,261	\$ 1,761
Other.	<u>1,575</u>	<u>1,575</u>	<u>-</u>	<u>(1,575)</u>
Total revenues	<u>6,075</u>	<u>6,075</u>	<u>6,261</u>	<u>186</u>
Net change in fund balance.	6,075	6,075	6,261	186
Fund balance at beginning of year.	65,966	65,966	65,966	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 72,041</u>	<u>\$ 72,041</u>	<u>\$ 72,227</u>	<u>\$ 186</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TAX MAP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,300	\$ 332,160	\$ 425,645	\$ 93,485
Other.	3,800	2,412	4,726	2,314
Total revenues	<u>5,100</u>	<u>334,572</u>	<u>430,371</u>	<u>95,799</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	2,343	28,669	28,669	-
Materials and supplies	2,986	36,539	36,539	-
Contractual services	25,372	310,492	310,492	-
Capital outlay	910	11,133	11,133	-
Other.	389	4,760	4,760	-
Total expenditures	<u>32,000</u>	<u>391,593</u>	<u>391,593</u>	<u>-</u>
Net change in fund balance.	(26,900)	(57,021)	38,778	95,799
Fund balance at beginning of year.	60,617	60,617	60,617	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 33,717</u>	<u>\$ 3,596</u>	<u>\$ 99,395</u>	<u>\$ 95,799</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATE COURT CONDUCT OF BUSINESS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 10,860	\$ 1,860
Intergovernmental	68,238	137,328	68,664	(68,664)
Total revenues	<u>77,238</u>	<u>146,328</u>	<u>79,524</u>	<u>(66,804)</u>
Expenditures:				
Current:				
General government - judicial				
Personal services.	22,268	100,378	52,854	47,524
Capital outlay	1,775	8,000	3,163	4,837
Other	16,413	73,983	73,983	-
Total expenditures	<u>40,456</u>	<u>182,361</u>	<u>130,000</u>	<u>52,361</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,782</u>	<u>(36,033)</u>	<u>(50,476)</u>	<u>(14,443)</u>
Other financing uses:				
Transfers out	<u>(333)</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Total other financing uses	<u>(333)</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
Net change in fund balance	36,449	(37,533)	(50,476)	(12,943)
Fund balance at beginning of year	100,690	100,690	100,690	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 137,139</u>	<u>\$ 63,157</u>	<u>\$ 50,214</u>	<u>\$ (12,943)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DISASTER SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 80,498	\$ 80,498	\$ 63,673	\$ (16,825)
Total revenues	<u>80,498</u>	<u>80,498</u>	<u>63,673</u>	<u>(16,825)</u>
Expenditures:				
Current:				
Public safety				
Personal services	60,341	77,375	66,062	11,313
Materials and supplies	8,890	11,400	427	10,973
Contractual services	22,712	29,123	-	29,123
Capital outlay	4,180	5,360	2,389	2,971
Other	20,775	26,640	22,936	3,704
Total expenditures	<u>116,898</u>	<u>149,898</u>	<u>91,814</u>	<u>58,084</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,400)</u>	<u>(69,400)</u>	<u>(28,141)</u>	<u>41,259</u>
Other financing sources:				
Transfer in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance	(1,400)	(34,400)	6,859	41,259
Fund balance at beginning of year	76,105	76,105	76,105	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 74,705</u>	<u>\$ 41,705</u>	<u>\$ 82,964</u>	<u>\$ 41,259</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY HOUSING IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 107,900	\$ 200,245	\$ 187,443	\$ (12,802)
Other	1,200	1,200	16,551	15,351
Total revenues	<u>109,100</u>	<u>201,445</u>	<u>203,994</u>	<u>2,549</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	25,789	62,900	45,900	17,000
Materials and supplies.	8,077	19,700	19,479	221
Contractual services.	75,234	183,501	182,908	593
Total expenditures.	<u>109,100</u>	<u>266,101</u>	<u>248,287</u>	<u>17,814</u>
Net change in fund balance	-	(64,656)	(44,293)	20,363
Fund balance at beginning of year	66,190	66,190	66,190	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 66,190</u>	<u>\$ 1,534</u>	<u>\$ 21,897</u>	<u>\$ 20,363</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH SERVICES SUBSIDY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ 240,794	\$ 163,862	\$ (76,932)
Other	100	100	2,178	2,078
Total revenues	100	240,894	166,040	(74,854)
Expenditures:				
Current:				
Public safety				
Personal services.	619	205,409	133,482	71,927
Materials and supplies	1	222	-	222
Contractual services	296	98,460	50,800	47,660
Other.	24	7,986	4,129	3,857
Total expenditures	940	312,077	188,411	123,666
Net change in fund balance.	(840)	(71,183)	(22,371)	48,812
Fund balance at beginning of year	155,914	155,914	155,914	-
Prior year encumbrances appropriated	718	718	718	-
Fund balance at end of year	<u>\$ 155,792</u>	<u>\$ 85,449</u>	<u>\$ 134,261</u>	<u>\$ 48,812</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLING AND LITTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 381	\$ 840	\$ 459
Licenses and permits.	140,000	140,000	183,348	43,348
Total revenues	140,000	140,381	184,188	43,807
Expenditures:				
Current:				
Public works				
Personal services.	76,018	120,039	119,180	859
Materials and supplies	10,600	16,728	16,728	-
Contractual services	26,365	41,484	28,494	12,990
Other.	3,567	5,681	5,681	-
Total expenditures	116,550	183,932	170,083	13,849
Excess (deficiency) of revenues over (under) expenditures	23,450	(43,551)	14,105	57,656
Other financing sources (uses):				
Transfer in	-	4,200	-	(4,200)
Transfer out	-	-	-	-
Total other financing sources (uses).	-	4,200	-	(4,200)
Net change in fund balance.	23,450	(39,351)	14,105	53,456
Fund balance at beginning of year	74,321	74,321	74,321	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 97,771</u>	<u>\$ 34,970</u>	<u>\$ 88,426</u>	<u>\$ 53,456</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WASTEWATER TREATMENT ROTARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 72,000	\$ 72,000	\$ 72,000	\$ -
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>-</u>
Other financing sources (uses):				
Advance in.	-	75,000	75,000	-
Advance out.	<u>(72,000)</u>	<u>(82,000)</u>	<u>(75,000)</u>	<u>7,000</u>
Total other financing sources (uses).	<u>(72,000)</u>	<u>(7,000)</u>	<u>-</u>	<u>7,000</u>
Net change in fund balance.	-	65,000	72,000	7,000
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 72,000</u>	<u>\$ 7,000</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILDREN SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 709,181	\$ 709,181	\$ 832,588	\$ 123,407
Other	98,629	98,629	42,946	(55,683)
Total revenues	<u>807,810</u>	<u>807,810</u>	<u>875,534</u>	<u>67,724</u>
Expenditures:				
Current:				
Human services				
Personal services	39,486	39,486	36,440	3,046
Materials and supplies	6,342	6,342	2,280	4,062
Contractual services	1,367,539	1,367,539	826,167	541,372
Other	209,395	209,395	169,325	40,070
Total expenditures	<u>1,622,762</u>	<u>1,622,762</u>	<u>1,034,212</u>	<u>588,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(814,952)</u>	<u>(814,952)</u>	<u>(158,678)</u>	<u>656,274</u>
Other financing sources (uses):				
Transfers in	269,173	269,173	264,173	(5,000)
Transfers out	(145,893)	(145,893)	-	145,893
Total other financing sources (uses)	<u>123,280</u>	<u>123,280</u>	<u>264,173</u>	<u>140,893</u>
Net change in fund balance.	(691,672)	(691,672)	105,495	797,167
Fund balance at beginning of year	693,339	693,339	693,339	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1,667</u>	<u>\$ 1,667</u>	<u>\$ 798,834</u>	<u>\$ 797,167</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY CORRECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 200,000	\$ 433,079	\$ 452,121	\$ 19,042
Total revenues	<u>200,000</u>	<u>433,079</u>	<u>452,121</u>	<u>19,042</u>
Expenditures:				
Current:				
Public safety				
Personal services.	6,546	18,556	17,556	1,000
Capital outlay	<u>123,456</u>	<u>349,970</u>	<u>349,970</u>	<u>-</u>
Total expenditures	<u>130,002</u>	<u>368,526</u>	<u>367,526</u>	<u>1,000</u>
Net change in fund balance.	69,998	64,553	84,595	20,042
Fund balance at beginning of year	72	72	72	-
Prior year encumbrances appropriated	<u>859</u>	<u>859</u>	<u>859</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,929</u>	<u>\$ 65,484</u>	<u>\$ 85,526</u>	<u>\$ 20,042</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 420,000	\$ 420,000	\$ 420,000	\$ -
Rental income	136,088	136,088	136,030	(58)
Total revenues	<u>556,088</u>	<u>556,088</u>	<u>556,030</u>	<u>(58)</u>
Expenditures:				
Debt service				
Principal retirement	297,000	297,000	297,000	-
Interest and fiscal charges	279,660	279,660	279,660	-
Total expenditures	<u>576,660</u>	<u>576,660</u>	<u>576,660</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,572)</u>	<u>(20,572)</u>	<u>(20,630)</u>	<u>(58)</u>
Other financing sources:				
Transfers in	<u>33,683</u>	<u>33,683</u>	<u>34,470</u>	<u>787</u>
Total other financing sources	<u>33,683</u>	<u>33,683</u>	<u>34,470</u>	<u>787</u>
Net change in fund balance.	13,111	13,111	13,840	729
Fund balance at beginning of year	98,282	98,282	98,282	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 111,393</u>	<u>\$ 111,393</u>	<u>\$ 112,122</u>	<u>\$ 729</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2004

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 239,583	\$ 63,992	\$ 10,476	\$ 165,689
Sales taxes	-	12,000	-	-
Accounts	-	-	-	4,397
Total assets	<u>\$ 239,583</u>	<u>\$ 75,992</u>	<u>\$ 10,476</u>	<u>\$ 170,086</u>
Liabilities:				
Accounts payable	\$ -	\$ 45,420	\$ -	\$ 4,715
Accrued wages	-	-	-	1,548
Due to other governments	-	-	-	915
Deferred revenue	-	6,000	-	-
Total liabilities	<u>-</u>	<u>51,420</u>	<u>-</u>	<u>7,178</u>
Fund Balances:				
Unreserved:				
Undesignated, reported in:				
Capital projects funds	<u>239,583</u>	<u>24,572</u>	<u>10,476</u>	<u>162,908</u>
Total fund balances	<u>239,583</u>	<u>24,572</u>	<u>10,476</u>	<u>162,908</u>
Total liabilities and fund balances	<u>\$ 239,583</u>	<u>\$ 75,992</u>	<u>\$ 10,476</u>	<u>\$ 170,086</u>

<u>Recorder's Equipment</u>	<u>Total</u>
\$ 24,849	\$ 504,589
-	12,000
-	4,397
\$ 24,849	\$ 520,986
\$ 2,110	\$ 52,245
-	1,548
-	915
-	6,000
2,110	60,708
22,739	460,278
22,739	460,278
\$ 24,849	\$ 520,986

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Mental Retardation Capital	Capital Improvements	Landfill Capital Projects	Capital Computerization
Revenues:				
Sales taxes	\$ -	\$ 72,000	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	72,301
Investment income	-	220	-	272
Other	-	2,013	-	11,016
	-	74,233	-	83,589
Expenditures:				
Capital outlay	10,037	242,406	-	87,198
	10,037	242,406	-	87,198
Excess (deficiency) of revenues over (under) expenditures.	(10,037)	(168,173)	-	(3,609)
Other financing sources (uses):				
Transfers in.	55,000	18,506	-	-
Transfers out	-	-	-	-
	55,000	18,506	-	-
Net change in fund balances.	44,963	(149,667)	-	(3,609)
Fund Balance at beginning of year	194,620	174,239	10,476	166,517
Fund balance at end of year	\$ 239,583	\$ 24,572	\$ 10,476	\$ 162,908

<u>Recorder's Equipment</u>	<u>Total</u>
\$ -	\$ 72,000
32,468	32,468
-	72,301
-	492
-	13,029
<u>32,468</u>	<u>190,290</u>
<u>28,617</u>	<u>368,258</u>
<u>28,617</u>	<u>368,258</u>
<u>3,851</u>	<u>(177,968)</u>
-	73,506
<u>(2,700)</u>	<u>(2,700)</u>
<u>(2,700)</u>	<u>70,806</u>
1,151	(107,162)
<u>21,588</u>	<u>567,440</u>
<u>\$ 22,739</u>	<u>\$ 460,278</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MENTAL RETARDATION CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ 81,000	\$ 81,000	\$ 10,037	\$ 70,963
Total expenditures	<u>81,000</u>	<u>81,000</u>	<u>10,037</u>	<u>70,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(81,000)</u>	<u>(81,000)</u>	<u>(10,037)</u>	<u>70,963</u>
Other financing sources:				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Total other financing sources.	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Net change in fund balance.	<u>(26,000)</u>	<u>(26,000)</u>	<u>44,963</u>	<u>70,963</u>
Fund balance at beginning of year	<u>194,620</u>	<u>194,620</u>	<u>194,620</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 168,620</u></u>	<u><u>\$ 168,620</u></u>	<u><u>\$ 239,583</u></u>	<u><u>\$ 70,963</u></u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ -	\$ -	\$ 72,000	\$ 72,000
Interest	2,000	2,000	196	(1,804)
Other	116,021	116,021	2,013	(114,008)
	<u>118,021</u>	<u>118,021</u>	<u>74,209</u>	<u>(43,812)</u>
Expenditures:				
Capital outlay	214,365	217,442	201,828	15,614
	<u>214,365</u>	<u>217,442</u>	<u>201,828</u>	<u>15,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,344)</u>	<u>(99,421)</u>	<u>(127,619)</u>	<u>(28,198)</u>
Other financing sources:				
Transfers in	15,506	15,506	18,506	3,000
	<u>15,506</u>	<u>15,506</u>	<u>18,506</u>	<u>3,000</u>
Net change in fund balance	(80,838)	(83,915)	(109,113)	(25,198)
Fund balance at beginning of year	87,838	87,838	87,838	-
Prior year encumbrances appropriated.	<u>85,200</u>	<u>85,200</u>	<u>85,200</u>	<u>-</u>
Fund balance at end of year	<u>\$ 92,200</u>	<u>\$ 89,123</u>	<u>\$ 63,925</u>	<u>\$ (25,198)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LANDFILL CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fund balance at beginning of year	\$ 10,476	\$ 10,476	\$ 10,476	\$ -
Prior year encumbrances appropriated	-	-	-	
Fund balance at end of year	<u>\$ 10,476</u>	<u>\$ 10,476</u>	<u>\$ 10,476</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures.	\$ 56,400	\$ 56,400	\$ 71,294	\$ 14,894
Interest.	-	-	276	276
Other.	<u>10,010</u>	<u>10,010</u>	<u>11,016</u>	<u>1,006</u>
Total revenues	<u>66,410</u>	<u>66,410</u>	<u>82,586</u>	<u>16,176</u>
Expenditures:				
Capital outlay	<u>127,617</u>	<u>143,117</u>	<u>91,923</u>	<u>51,194</u>
Total expenditures	<u>127,617</u>	<u>143,117</u>	<u>91,923</u>	<u>51,194</u>
Net change in fund balance.	(61,207)	(76,707)	(9,337)	67,370
Fund balance at beginning of year	174,248	174,248	174,248	-
Prior year encumbrances appropriated	<u>110</u>	<u>110</u>	<u>110</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 113,151</u></u>	<u><u>\$ 97,651</u></u>	<u><u>\$ 165,021</u></u>	<u><u>\$ 67,370</u></u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECORDER'S EQUIPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 35,000	\$ 35,000	\$ 32,568	\$ (2,432)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>32,568</u>	<u>(2,432)</u>
Expenditures:				
Capital outlay	<u>33,550</u>	<u>32,287</u>	<u>28,494</u>	<u>3,793</u>
Total expenditures.	<u>33,550</u>	<u>32,287</u>	<u>28,494</u>	<u>3,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,450</u>	<u>2,713</u>	<u>4,074</u>	<u>1,361</u>
Other financing uses :				
Transfers out	<u>(2,700)</u>	<u>(2,700)</u>	<u>(2,700)</u>	<u>-</u>
Total other financing uses	<u>(2,700)</u>	<u>(2,700)</u>	<u>(2,700)</u>	<u>-</u>
Net change in fund balance.	(1,250)	13	1,374	1,361
Fund balance at beginning of year.	20,225	20,225	20,225	-
Prior year encumbrances appropriated	<u>3,250</u>	<u>3,250</u>	<u>3,250</u>	
Fund balance at end of year	<u>\$ 22,225</u>	<u>\$ 23,488</u>	<u>\$ 24,849</u>	<u>\$ 1,361</u>

HOLMES COUNTY, OHIO

**INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS**

ENTERPRISE FUNDS

The enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges. The following is a description of the nonmajor enterprise funds:

Major Enterprise Funds

Sewer District

To account for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of Holmes County.

County Disposal

To account for the \$2.00/ton royalty fee and expenses associated with the landfill, including landfill inspector, ground water monitoring and other landfill issues.

Joel Pomerene Hospital

To account for the operation of the Joel Pomerene Hospital.

Nonmajor Enterprise Fund

East Holmes Water

To account for revenues and expenses associated with water services provided to the East Holmes Industrial Park.

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Operating revenues:				
Charges for services	\$ 768,500	\$ 768,500	\$ 714,890	\$ (53,610)
Total operating revenues	768,500	768,500	714,890	(53,610)
Operating expenses:				
Personal services.	157,151	211,012	188,440	22,572
Materials and supplies	15,427	20,714	17,556	3,158
Contractual services	114,245	173,400	166,662	6,738
Capital outlay	223,425	300,000	75,029	224,971
Other	2,040	2,739	2,563	176
Total operating expenses	512,288	707,865	450,250	257,615
Operating income	256,212	60,635	264,640	204,005
Nonoperating revenue (expense):				
Principal retirement.	(213,312)	(213,312)	(213,312)	-
Interest expense	(32,093)	(141,906)	(140,450)	1,456
Total nonoperating revenue (expense).	(245,405)	(355,218)	(353,762)	1,456
Net income (loss) before transfers and advances.	10,807	(294,583)	(89,122)	205,461
Transfers out.	(14,895)	-	-	-
Advance in	300,000	300,000	75,000	(225,000)
Advance out.	(75,000)	(75,000)	(75,000)	-
Net income (loss)	220,912	(69,583)	(89,122)	(19,539)
Fund equity at beginning of year	962,066	962,066	962,066	-
Prior year encumbrances appropriated	1,456	1,456	1,456	-
Fund equity at end of year	<u>\$ 1,184,434</u>	<u>\$ 893,939</u>	<u>\$ 874,400</u>	<u>\$ (19,539)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY DISPOSAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Licenses, permits and fees.	\$ 50,000	\$ 70,500	\$ 79,338	\$ 8,838
Total operating revenues	<u>50,000</u>	<u>70,500</u>	<u>79,338</u>	<u>8,838</u>
Operating expenses:				
Personal services.	51,388	55,665	54,727	938
Contractual services	<u>30,460</u>	<u>32,995</u>	<u>30,104</u>	<u>2,891</u>
Total operating expenses	<u>81,848</u>	<u>88,660</u>	<u>84,831</u>	<u>3,829</u>
Net income (loss)	(31,848)	(18,160)	(5,493)	12,667
Fund equity at beginning of year	33,849	33,849	33,849	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>\$ 2,001</u>	<u>\$ 15,689</u>	<u>\$ 28,356</u>	<u>\$ 12,667</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EAST HOLMES WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 4,500	\$ 4,500	\$ 4,637	\$ 137
Other	-	3,000	2,250	(750)
Total operating revenues	<u>4,500</u>	<u>7,500</u>	<u>6,887</u>	<u>(613)</u>
Operating expenses:				
Contractual services	<u>6,960</u>	<u>13,371</u>	<u>9,616</u>	<u>3,755</u>
Total operating expenses	<u>6,960</u>	<u>13,371</u>	<u>9,616</u>	<u>3,755</u>
Net income (loss)	(2,460)	(5,871)	(2,729)	3,142
Fund equity at beginning of year	6,117	6,117	6,117	-
Prior year encumbrances appropriated.	-	-	-	-
Fund equity at end of year.	<u>\$ 3,657</u>	<u>\$ 246</u>	<u>\$ 3,388</u>	<u>\$ 3,142</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENTS - NONMAJOR FIDUCIARY FUNDS

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

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results of operation. The following are the County's agency funds:

District Board of Health

To account for the funds and subfunds of the Board of Health for which the County Auditor is the ex-officio fiscal agent as required under Section 3709.31, Ohio Revised Code.

Gasoline and License Tax

To account for the collection of shared revenues from the State of Ohio which is apportioned to certain local governments.

Undivided Real and Personal Property Taxes

To account for the collection of real estate taxes, special assessments, and tangible personal property taxes that are periodically apportioned to the subdivisions and to the County operating funds.

Alimony and Child Support

To account for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

Other Agency Funds

Soil and Water Conservation
Park District
Sheriff's Law Enforcement
County Public Library
Undivided Inheritance Tax
Undivided Municipal Permissive Tax
State Settlements
Undivided Cigarette Tax
Law Library
Undivided Trailer Tax
State Housing Trust
Family and Children First Council

Undivided Local Government
Undivided Local Government Revenue
Payroll
Sheriff's Agency
Court Agency
County Home Patient
Travel and Tourism
Special Taxing Districts
Community Care Pooled
Ohio Election Commission
Emergency Management Services Agency

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
District Board of Health				
Assets:				
Equity in pooled cash and cash equivalents	\$ 871,096	\$ 4,184,133	\$ 4,160,792	\$ 894,437
Total assets.	<u>\$ 871,096</u>	<u>\$ 4,184,133</u>	<u>\$ 4,160,792</u>	<u>\$ 894,437</u>
Liabilities:				
Undistributed assets	\$ 871,096	\$ 4,184,133	\$ 4,160,792	\$ 894,437
Total liabilities.	<u>\$ 871,096</u>	<u>\$ 4,184,133</u>	<u>\$ 4,160,792</u>	<u>\$ 894,437</u>
Soil and Water Conservation				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,366	\$ 229,374	\$ 228,255	\$ 2,485
Cash and cash equivalents in segregated accounts	248,324	267,463	248,324	267,463
Total assets.	<u>\$ 249,690</u>	<u>\$ 496,837</u>	<u>\$ 476,579</u>	<u>\$ 269,948</u>
Liabilities:				
Accounts payable.	\$ -	\$ 1,390	\$ -	\$ 1,390
Undistributed assets	249,690	495,447	476,579	268,558
Total liabilities.	<u>\$ 249,690</u>	<u>\$ 496,837</u>	<u>\$ 476,579</u>	<u>\$ 269,948</u>
Park District				
Assets:				
Equity in pooled cash and cash equivalents	\$ 173,970	\$ 157,828	\$ 192,184	\$ 139,614
Taxes receivable	93,893	98,048	93,893	98,048
Due from other governments	4,601	35,901	4,601	35,901
Total assets.	<u>\$ 272,464</u>	<u>\$ 291,777</u>	<u>\$ 290,678</u>	<u>\$ 273,563</u>
Liabilities:				
Accounts payable	\$ 663	\$ -	\$ 663	\$ -
Due to other governments.	4,601	5,181	4,601	5,181
Undistributed assets	267,200	286,596	285,414	268,382
Total liabilities.	<u>\$ 272,464</u>	<u>\$ 291,777</u>	<u>\$ 290,678</u>	<u>\$ 273,563</u>
Sheriff's Law Enforcement				
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,069	\$ 593	\$ -	\$ 7,662
Accounts receivable.	865	-	865	-
Total assets.	<u>\$ 7,934</u>	<u>\$ 593</u>	<u>\$ 865</u>	<u>\$ 7,662</u>
Liabilities:				
Undistributed assets	\$ 7,934	\$ 593	\$ 865	\$ 7,662
Total liabilities.	<u>\$ 7,934</u>	<u>\$ 593</u>	<u>\$ 865</u>	<u>\$ 7,662</u>
County Public Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,285,782	\$ 1,285,782	\$ -
Due from other governments	98,560	99,765	98,560	99,765
Total assets.	<u>\$ 98,560</u>	<u>\$ 1,385,547</u>	<u>\$ 1,384,342</u>	<u>\$ 99,765</u>
Liabilities:				
Undistributed assets	\$ 98,560	\$ 1,385,547	\$ 1,384,342	\$ 99,765
Total liabilities.	<u>\$ 98,560</u>	<u>\$ 1,385,547</u>	<u>\$ 1,384,342</u>	<u>\$ 99,765</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Ohio Election Commission				
Assets:				
Equity in pooled cash and cash equivalents	\$ 210	\$ 50	\$ 260	\$ -
Total assets.	<u>\$ 210</u>	<u>\$ 50</u>	<u>\$ 260</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets	\$ 210	\$ 50	\$ 260	\$ -
Total liabilities.	<u>\$ 210</u>	<u>\$ 50</u>	<u>\$ 260</u>	<u>\$ -</u>
Gasoline and License Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 36,279	\$ 1,254,910	\$ 1,242,780	\$ 48,409
Due from other governments	399,727	497,582	399,727	497,582
Total assets.	<u>\$ 436,006</u>	<u>\$ 1,752,492</u>	<u>\$ 1,642,507</u>	<u>\$ 545,991</u>
Liabilities:				
Due to other governments.	\$ 386,750	\$ 476,646	\$ 386,750	\$ 476,646
Undistributed assets	49,256	1,275,846	1,255,757	69,345
Total liabilities.	<u>\$ 436,006</u>	<u>\$ 1,752,492</u>	<u>\$ 1,642,507</u>	<u>\$ 545,991</u>
Undivided Inheritance Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 312,712	\$ 196,871	\$ 442,586	\$ 66,997
Taxes receivable	36,865	4,042	36,865	4,042
Total assets.	<u>\$ 349,577</u>	<u>\$ 200,913</u>	<u>\$ 479,451</u>	<u>\$ 71,039</u>
Liabilities:				
Due to other governments.	\$ 36,865	\$ 4,042	\$ 36,865	\$ 4,042
Undistributed assets	312,712	196,871	442,586	66,997
Total liabilities.	<u>\$ 349,577</u>	<u>\$ 200,913</u>	<u>\$ 479,451</u>	<u>\$ 71,039</u>
Undivided Municipal Permissive Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 78,538	\$ 24,707	\$ 8,608	\$ 94,637
Due from other governments	1,556	1,787	1,556	1,787
Total assets.	<u>\$ 80,094</u>	<u>\$ 26,494</u>	<u>\$ 10,164</u>	<u>\$ 96,424</u>
Liabilities:				
Undistributed assets	\$ 80,094	\$ 26,494	\$ 10,164	\$ 96,424
Total liabilities.	<u>\$ 80,094</u>	<u>\$ 26,494</u>	<u>\$ 10,164</u>	<u>\$ 96,424</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Undivided Real and Personal Property Taxes				
Assets:				
Equity in pooled cash and cash equivalents	\$ 528,675	\$ 29,133,351	\$ 29,113,108	\$ 548,918
Accounts receivable.	42,081	173	42,081	173
Taxes receivable	23,059,540	25,122,867	23,059,540	25,122,867
Total assets.	<u>\$ 23,630,296</u>	<u>\$ 54,256,391</u>	<u>\$ 52,214,729</u>	<u>\$ 25,671,958</u>
Liabilities:				
Undistributed assets	\$ 23,630,296	\$ 54,256,391	\$ 52,214,729	\$ 25,671,958
Total liabilities.	<u>\$ 23,630,296</u>	<u>\$ 54,256,391</u>	<u>\$ 52,214,729</u>	<u>\$ 25,671,958</u>
State Housing Trust				
Assets:				
Equity in pooled cash and cash equivalents	\$ 45,883	\$ 169,179	\$ 176,060	\$ 39,002
Total assets.	<u>\$ 45,883</u>	<u>\$ 169,179</u>	<u>\$ 176,060</u>	<u>\$ 39,002</u>
Liabilities:				
Undistributed assets	\$ 45,883	\$ 130,567	\$ 176,060	\$ 390
Due to other governments	-	38,612	-	38,612
Total liabilities.	<u>\$ 45,883</u>	<u>\$ 169,179</u>	<u>\$ 176,060</u>	<u>\$ 39,002</u>
State Settlements				
Assets:				
Equity in pooled cash and cash equivalents	\$ 151	\$ 70,484	\$ 57,074	\$ 13,561
Total assets.	<u>\$ 151</u>	<u>\$ 70,484</u>	<u>\$ 57,074</u>	<u>\$ 13,561</u>
Liabilities:				
Undistributed assets	\$ 151	\$ 70,484	\$ 57,074	\$ 13,561
Total liabilities.	<u>\$ 151</u>	<u>\$ 70,484</u>	<u>\$ 57,074</u>	<u>\$ 13,561</u>
Undivided Cigarette Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 109	\$ 1,242	\$ 1,173	\$ 178
Total assets.	<u>\$ 109</u>	<u>\$ 1,242</u>	<u>\$ 1,173</u>	<u>\$ 178</u>
Liabilities:				
Undistributed assets	\$ 109	\$ 1,242	\$ 1,173	\$ 178
Total liabilities.	<u>\$ 109</u>	<u>\$ 1,242</u>	<u>\$ 1,173</u>	<u>\$ 178</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Law Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ 298	\$ 63,145	\$ 63,443	\$ -
Accounts receivable.	3,919	3,683	3,919	3,683
Total assets.	<u>\$ 4,217</u>	<u>\$ 66,828</u>	<u>\$ 67,362</u>	<u>\$ 3,683</u>
Liabilities:				
Undistributed assets	\$ 4,217	\$ 66,828	\$ 67,362	\$ 3,683
Total liabilities.	<u>\$ 4,217</u>	<u>\$ 66,828</u>	<u>\$ 67,362</u>	<u>\$ 3,683</u>
Undivided Trailer Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 21,245	\$ 244,003	\$ 236,765	\$ 28,483
Total assets.	<u>\$ 21,245</u>	<u>\$ 244,003</u>	<u>\$ 236,765</u>	<u>\$ 28,483</u>
Liabilities:				
Undistributed assets	\$ 21,245	\$ 244,003	\$ 236,765	\$ 28,483
Total liabilities.	<u>\$ 21,245</u>	<u>\$ 244,003</u>	<u>\$ 236,765</u>	<u>\$ 28,483</u>
Undivided Local Government				
Assets:				
Equity in pooled cash and cash equivalents	\$ 205	\$ 798,246	\$ 797,944	\$ 507
Due from other governments	159,526	159,589	159,526	159,589
Total assets.	<u>\$ 159,731</u>	<u>\$ 957,835</u>	<u>\$ 957,470</u>	<u>\$ 160,096</u>
Liabilities:				
Undistributed assets	\$ 159,731	\$ 957,835	\$ 957,470	\$ 160,096
Total liabilities.	<u>\$ 159,731</u>	<u>\$ 957,835</u>	<u>\$ 957,470</u>	<u>\$ 160,096</u>
Undivided Local Government Revenue				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 320,805	\$ 320,805	\$ -
Due from other governments	64,161	64,161	64,161	64,161
Total assets.	<u>\$ 64,161</u>	<u>\$ 384,966</u>	<u>\$ 384,966</u>	<u>\$ 64,161</u>
Liabilities:				
Undistributed assets	\$ 64,161	\$ 384,966	\$ 384,966	\$ 64,161
Total liabilities.	<u>\$ 64,161</u>	<u>\$ 384,966</u>	<u>\$ 384,966</u>	<u>\$ 64,161</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 153,492	\$ 18,577,813	\$ 18,502,905	\$ 228,400
Total assets.	<u>\$ 153,492</u>	<u>\$ 18,577,813</u>	<u>\$ 18,502,905</u>	<u>\$ 228,400</u>
Liabilities:				
Accounts payable	\$ 90,377	\$ -	\$ 90,377	\$ -
Undistributed assets	63,115	18,577,813	18,412,528	228,400
Total liabilities.	<u>\$ 153,492</u>	<u>\$ 18,577,813</u>	<u>\$ 18,502,905</u>	<u>\$ 228,400</u>
Alimony and Child Support				
Assets:				
Accounts receivable.	\$ 100,201	\$ 104,157	\$ 100,201	\$ 104,157
Total assets.	<u>\$ 100,201</u>	<u>\$ 104,157</u>	<u>\$ 100,201</u>	<u>\$ 104,157</u>
Liabilities:				
Undistributed assets	\$ 100,201	\$ 104,157	\$ 100,201	\$ 104,157
Total liabilities.	<u>\$ 100,201</u>	<u>\$ 104,157</u>	<u>\$ 100,201</u>	<u>\$ 104,157</u>
Sheriff's Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 27,290	\$ 11,055	\$ 27,290	\$ 11,055
Total assets.	<u>\$ 27,290</u>	<u>\$ 11,055</u>	<u>\$ 27,290</u>	<u>\$ 11,055</u>
Liabilities:				
Undistributed assets	\$ 27,290	\$ 11,055	\$ 27,290	\$ 11,055
Total liabilities.	<u>\$ 27,290</u>	<u>\$ 11,055</u>	<u>\$ 27,290</u>	<u>\$ 11,055</u>
Court Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 200,045	\$ 831,398	\$ 200,045	\$ 831,398
Total assets.	<u>\$ 200,045</u>	<u>\$ 831,398</u>	<u>\$ 200,045</u>	<u>\$ 831,398</u>
Liabilities:				
Undistributed assets	\$ 200,045	\$ 831,398	\$ 200,045	\$ 831,398
Total liabilities.	<u>\$ 200,045</u>	<u>\$ 831,398</u>	<u>\$ 200,045</u>	<u>\$ 831,398</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
County Home Patient				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 834	\$ 1,000	\$ 834	\$ 1,000
Total assets.	<u>\$ 834</u>	<u>\$ 1,000</u>	<u>\$ 834</u>	<u>\$ 1,000</u>
Liabilities:				
Undistributed assets	\$ 834	\$ 1,000	\$ 834	\$ 1,000
Total liabilities.	<u>\$ 834</u>	<u>\$ 1,000</u>	<u>\$ 834</u>	<u>\$ 1,000</u>
Travel and Tourism				
Assets:				
Equity in pooled cash and cash equivalents	\$ 162,338	\$ 444,677	\$ 439,000	\$ 168,015
Taxes receivable	18,134	32,821	18,134	32,821
Total assets.	<u>\$ 180,472</u>	<u>\$ 477,498</u>	<u>\$ 457,134</u>	<u>\$ 200,836</u>
Liabilities:				
Undistributed assets	\$ 180,472	\$ 477,498	\$ 457,134	\$ 200,836
Total liabilities.	<u>\$ 180,472</u>	<u>\$ 477,498</u>	<u>\$ 457,134</u>	<u>\$ 200,836</u>
Special Taxing Districts				
Assets:				
Equity in pooled cash and cash equivalents	\$ 694	\$ 22,528,802	\$ 22,528,802	\$ 694
Accounts receivable.	1,546	-	1,546	-
Total assets.	<u>\$ 2,240</u>	<u>\$ 22,528,802</u>	<u>\$ 22,530,348</u>	<u>\$ 694</u>
Liabilities:				
Undistributed assets	\$ 2,240	\$ 22,528,802	\$ 22,530,348	\$ 694
Total liabilities.	<u>\$ 2,240</u>	<u>\$ 22,528,802</u>	<u>\$ 22,530,348</u>	<u>\$ 694</u>
Community Care Pooled				
Assets:				
Equity in pooled cash and cash equivalents	\$ 92,723	\$ 123,820	\$ 126,929	\$ 89,614
Accounts receivable.	230	-	230	-
Total assets.	<u>\$ 92,953</u>	<u>\$ 123,820</u>	<u>\$ 127,159</u>	<u>\$ 89,614</u>
Liabilities:				
Accounts payable	\$ 26,526	\$ 22,189	\$ 26,526	\$ 22,189
Due to other governments.	4,305	-	4,305	-
Undistributed assets	62,122	101,631	96,328	67,425
Total liabilities.	<u>\$ 92,953</u>	<u>\$ 123,820</u>	<u>\$ 127,159</u>	<u>\$ 89,614</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Emergency Management Services Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 171,762	\$ 171,762	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 171,762</u>	<u>\$ 171,762</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets	\$ -	\$ 171,762	\$ 171,762	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 171,762</u>	<u>\$ 171,762</u>	<u>\$ -</u>
Family and Children First Council				
Assets:				
Equity in pooled cash and cash equivalents	\$ 207,080	\$ 693,705	\$ 678,086	\$ 222,699
Total assets.	<u>\$ 207,080</u>	<u>\$ 693,705</u>	<u>\$ 678,086</u>	<u>\$ 222,699</u>
Liabilities:				
Due to other governments.	\$ 207,080	\$ 693,705	\$ 678,086	\$ 222,699
Total liabilities.	<u>\$ 207,080</u>	<u>\$ 693,705</u>	<u>\$ 678,086</u>	<u>\$ 222,699</u>
<i>All Agency Funds</i>				
Assets				
Equity in pooled cash and cash equivalents	\$ 2,694,133	\$ 80,675,282	\$ 80,775,103	\$ 2,594,312
Cash and cash equivalents in segregated accounts	476,493	1,110,916	476,493	1,110,916
Taxes receivable	23,208,432	25,257,778	23,208,432	25,257,778
Accounts receivable.	148,842	108,013	148,842	108,013
Due from other governments	728,131	858,785	728,131	858,785
Total assets.	<u>\$ 27,256,031</u>	<u>\$ 108,010,774</u>	<u>\$ 105,337,001</u>	<u>\$ 29,929,804</u>
Liabilities				
Accounts payable	\$ 117,566	\$ 23,579	\$ 117,566	\$ 23,579
Due to other governments.	639,601	1,218,186	1,110,607	747,180
Undistributed assets	26,498,864	106,769,009	104,108,828	29,159,045
Total liabilities.	<u>\$ 27,256,031</u>	<u>\$ 108,010,774</u>	<u>\$ 105,337,001</u>	<u>\$ 29,929,804</u>

STATISTICAL SECTION

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

HOLMES COUNTY, OHIO

GOVERNMENTAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION *
LAST TEN YEARS

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Taxes	\$ 10,092,982	\$ 9,659,393	\$ 8,915,703	\$ 7,792,435
Charges for Services	3,421,075	3,383,268	2,767,583	3,010,099
Licenses and Permits	430,575	349,805	181,563	176,104
Fines and Forfeitures	269,063	206,069	365,747	337,478
Intergovernmental	13,418,966	11,659,357	9,692,574	10,924,701
Interest	269,879	312,680	443,219	727,070
Contributions and Donations	23,307	41,148	54,437	55,429
Rentals	189,369	227,070	52,198	49,931
Other	<u>1,021,733</u>	<u>889,009</u>	<u>982,964</u>	<u>2,310,329</u>
Total Revenues	<u>\$ 29,136,949</u>	<u>\$ 26,727,799</u>	<u>\$ 23,455,988</u>	<u>\$ 25,383,576</u>
General Government:				
Legislative and Executive	\$ 3,735,726	\$ 3,626,437	\$ 3,774,518	\$ 4,860,897
Judicial	1,810,633	1,597,405	1,249,785	1,038,722
Public Safety	4,292,574	4,155,483	2,993,221	2,484,096
Public Works	4,601,017	4,354,476	3,484,923	3,920,469
Health	177,483	153,368	142,226	141,375
Human Services	10,860,868	10,811,320	10,017,667	11,175,724
Conservation and Recreation	340,463	416,699	383,566	356,461
Other	59,724	880	-	-
Capital Outlay	2,253,388	457,006	820,433	1,313,245
Intergovernmental	221,255	220,981	221,316	399,602
Debt Service	<u>774,708</u>	<u>610,215</u>	<u>-</u>	<u>10,475</u>
Total Expenditures	<u>\$ 29,127,839</u>	<u>\$ 26,404,270</u>	<u>\$ 23,087,655</u>	<u>\$ 25,701,066</u>

* Amounts for year 2004 and 2003 include all governmental funds (both major and nonmajor). Amounts for years 2002 and prior include General, Special Revenue, and Capital Projects Funds.

Source: Holmes County Auditor

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$ 7,412,426	\$ 7,201,077	\$ 6,767,091	\$ 7,146,650	\$ 6,838,549	\$ 6,575,465
3,412,975	3,288,293	2,957,982	2,735,017	2,283,348	2,530,573
229,542	103,414	80,879	96,695	113,730	97,823
226,374	285,717	285,153	253,483	142,185	148,546
11,611,980	10,535,452	9,251,639	8,472,586	6,983,455	7,193,639
881,550	668,613	601,051	531,718	480,039	460,525
44,098	149,035	304,103	-	-	-
56,367	39,545	46,228	78,023	63,997	68,971
780,581	817,155	805,901	510,402	1,470,772	842,915
<u>\$ 24,655,893</u>	<u>\$ 23,088,301</u>	<u>\$ 21,100,027</u>	<u>\$ 19,824,574</u>	<u>\$ 18,376,075</u>	<u>\$ 17,918,457</u>
\$ 3,717,996	\$ 3,953,343	\$ 3,232,315	\$ 3,347,647	\$ 3,541,989	\$ 2,896,653
1,319,260	1,337,266	1,257,178	1,117,124	820,592	562,244
2,823,469	2,491,039	2,547,591	2,253,933	2,429,037	2,605,770
3,162,113	2,983,628	2,844,067	2,681,447	3,096,336	2,720,178
126,965	118,637	119,974	119,241	120,249	98,028
10,427,129	8,942,845	8,451,089	7,368,522	6,383,471	6,003,764
352,149	383,325	252,591	198,849	280,295	220,604
-	-	-	-	-	1,061,782
1,996,047	1,481,756	651,773	2,339,437	905,035	847,958
217,344	199,637	212,702	135,285	-	-
190,015	11,388	12,484	12,480	373,970	309,615
<u>\$ 24,332,487</u>	<u>\$ 21,902,864</u>	<u>\$ 19,581,764</u>	<u>\$ 19,573,965</u>	<u>\$ 17,950,974</u>	<u>\$ 17,326,596</u>

HOLMES COUNTY, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

Collection Year	Real Property		Personal Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2004	\$ 550,347,480	\$ 1,572,421,371	\$ 97,895,890	\$ 391,583,560
2003	527,192,450	1,506,264,143	93,232,620	372,930,480
2002	508,176,530	1,451,932,943	97,525,080	390,100,320
2001	459,501,280	1,312,860,800	94,995,000	379,980,000
2000	444,440,590	1,269,830,257	90,085,880	360,343,520
1999	434,148,300	1,240,423,714	86,891,610	347,566,440
1998	356,106,550	1,017,447,286	80,618,640	322,474,560
1997	346,194,070	989,125,914	72,988,730	291,954,920
1996	333,072,990	951,637,114	69,326,670	277,306,680
1995	289,674,830	827,642,371	62,377,900	249,511,600

Source: Holmes County Auditor

- (1) The estimated actual values of taxable property are calculated using the following percentages:
 Real property is assessed at thirty-five percent of actual value
 Public utility property is assessed at eighty-eight percent of actual value
 Tangible personal property is assessed at twenty-five percent of true value

Public Utility Property		Total		Ratio of Assessed to Actual Value
Assessed Value	Actual Value	Assessed Value	Estimated Actual Value	
\$ 27,138,980	\$ 30,839,750	\$ 675,382,350	\$ 1,994,844,681	33.86%
26,396,010	29,995,466	646,821,080	1,909,190,089	33.88%
26,123,690	29,686,011	631,825,300	1,871,719,274	33.76%
31,050,470	35,284,625	585,546,750	1,728,125,425	33.88%
30,901,320	35,115,136	565,427,790	1,665,288,913	33.95%
32,552,060	36,990,977	553,591,970	1,624,981,131	34.07%
33,131,020	37,648,886	469,856,210	1,377,570,732	34.11%
31,957,120	36,314,909	451,139,920	1,317,395,743	34.24%
34,606,030	39,325,034	437,005,690	1,268,268,828	34.46%
34,574,300	39,288,977	386,627,030	1,116,442,948	34.63%

HOLMES COUNTY, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY TAXES
LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Taxes Collected</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2004	\$ 5,262,685	\$ 4,608,977	87.58%	\$ 139,941	\$ 4,748,918	90.24%	\$ 91,530	1.74%
2003	5,033,563	4,923,966	97.82%	140,536	5,064,502	100.61%	100,123	1.99%
2002	4,859,108	4,760,267	97.97%	115,197	4,875,464	100.34%	98,521	2.03%
2001	4,138,311	4,053,472	97.95%	78,199	4,131,671	99.84%	78,400	1.89%
2000	3,873,959	3,768,637	97.28%	85,137	3,853,774	99.48%	56,801	1.47%
1999	3,787,965	3,728,243	98.42%	71,257	3,799,500	100.30%	83,360	2.20%
1998	3,140,391	3,111,527	99.08%	71,257	3,182,784	101.35%	79,194	2.52%
1997	3,065,229	2,867,235	93.54%	78,508	2,945,743	96.10%	164,116	5.35%
1996	2,992,090	2,917,949	97.52%	68,682	2,986,631	99.82%	848,438	28.36%
1995	2,766,953	2,692,903	97.32%	81,537	2,774,440	100.27%	697,938	25.22%

(1) Does not include State reimbursements for homestead and rollback exemptions.

(2) This amount cannot be calculated based on the information in this statistical table because of retroactive additions and deletions which are brought on in one lump sum. Penalties and interest are included, since by the Ohio law they become part of the tax obligation.

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
County Units:										
General Fund	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25
County Home	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Training Center	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Total	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>
School Districts within the County:										
East Holmes LSD	26.30	26.65	26.85	26.40	26.40	26.40	26.70	27.45	27.75	27.90
West Holmes LSD	33.10	33.80	34.10	36.10	36.10	36.10	36.30	37.60	37.70	32.10
Overlapping School Districts:										
Danville LSD	44.60	44.60	44.60	41.00	41.00	41.00	41.00	41.00	42.00	42.00
Garaway LSD	52.65	44.60	44.60	44.80	44.80	44.80	44.80	45.20	44.20	44.20
Loudonville-Perrysville EVSD	41.50	35.00	35.60	35.70	35.70	35.70	36.40	36.80	37.10	37.40
Southeast LSD	44.90	46.15	46.15	47.05	47.05	47.05	48.30	48.30	41.60	41.90
Triway LSD	44.20	44.20	45.20	42.20	42.20	42.20	42.20	42.20	42.20	42.20
Overlapping Joint Vocational Schools:										
Wayne County	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Buckeye	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Knox County	6.40	6.40	4.10	4.10	4.10	4.10	4.10	6.40	6.40	6.40
Ashland West Holmes	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Villages:										
Glenmont	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Wayne	n/a	n/a	11.80	11.90	11.90	11.20	11.20	11.20	11.20	11.20
York	n/a	n/a	6.90	6.90	6.90	6.90	6.90	6.90	6.90	5.90
Holmesville	3.50	3.50	3.50	3.50	3.50	3.50	3.50	1.50	2.50	2.50
Killbuck	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Millersburg	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Nashville	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.60
Overlapping Villages:										
Loudonville	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80
Baltic	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20

HOLMES COUNTY, OHIO

PROPERTY TAX RATE - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE) - CONTINUED
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Townships:										
Berlin	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Clark	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.35
Hardy	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Killbuck	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	5.40	5.40
Knox	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Mechanic	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Monroe	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Paint	7.10	7.10	7.10	6.60	6.60	6.60	6.60	4.60	4.60	4.60
Prairie	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Richland	7.10	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Ripley	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Saltcreek	5.60	5.60	5.60	5.60	5.60	5.60	5.60	4.60	6.60	6.60
Walnutcreek	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Washington	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Special Districts:										
Fire District #1	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Park District	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Western Holmes Fire District	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Knox County Library	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Clark Twp. Fire Department	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	-
East Holmes Fire & EMS District	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

**TANGIBLE TAX COLLECTIONS
LAST TEN YEARS**

<u>Year</u>	<u>Amount</u>
2004	\$ 1,218,130
2003	1,187,402
2002	1,262,797
2001	1,192,656
2000	1,106,852
1999	1,131,669
1998	986,484
1997	914,804
1996	893,023
1995	829,833

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation of the County Collection Year 2004 (3)	\$ 675,382,350	\$ 675,382,350
Debt Limitation	15,384,559	6,753,824
Total Outstanding Debt:		
General Obligation Bonds	5,025,000	5,025,000
Revenue Bonds	3,509,335	3,509,335
Total	8,534,335	8,534,335
Exemptions:		
General Obligations Bonds Paid from Rentals	1,320,000	1,320,000
General Obligations Bonds for Jail Construction	2,205,000	2,205,000
Enterprise Bonds	3,509,335	3,509,335
Amount Available in Debt Service Fund	147,122	147,122
Total Exemptions	7,181,457	7,181,457
Net Debt	1,352,878	1,352,878
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$ 14,031,681	\$ 5,400,946

- (1) The Debt Limitation is calculated as follows:
3% of first \$100,000,000 of assessed value
1 1/2% of next \$200,000,000 of assessed value
2 1/2% of amount of assessed value in excess of \$300,000,000
- (2) The Debt Limitation equals 1% of assessed value
- (3) Includes CAUV reduced values

Note- Does not include capital leases

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Estimated Population	Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Debt Payable from Enterprise Revenues	Net General Bonded Debt	Ratio of Debt to Assessed Value	Net General Bonded Debt Per Capita
2004	38,943	\$ 675,382,350	\$ 8,534,335	\$ 147,122	\$ 3,509,335	\$ 4,877,878	0.72%	\$ 125.26
2003	38,943	646,821,080	9,091,835	133,282	3,769,835	5,188,718	0.80%	133.24
2002	38,943	631,825,300	9,757,085	103,492	4,152,085	5,501,508	0.87%	141.27
2001	38,943	585,546,750	10,574,000	170,582	4,698,000	5,705,418	0.97%	146.51
2000	38,943	565,427,790	10,913,000	142,934	4,774,000	5,996,066	1.06%	153.97
1999	38,295	553,591,970	11,225,000	97,600	4,846,000	6,281,400	1.13%	164.03
1998	37,841	469,856,210	11,527,300	83,150	4,915,300	6,528,850	1.39%	172.53
1997	37,373	451,139,920	9,412,000	53,257	4,980,000	4,378,743	0.97%	117.16
1996	32,849	437,005,690	6,575,000	42,529	2,040,000	4,492,471	1.03%	136.76
1995	32,849	386,627,030	6,712,000	39,391	2,076,000	4,596,609	1.19%	139.93

Source: Holmes County Auditor

- (1) Information obtained from Holmes County Regional Planning Commission
- (2) 1994 was the first year Holmes County issued long-term general obligation bonded debt

HOLMES COUNTY, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Governmental Fund Expenditures</u>	<u>Ratio of Debt Service to Total General Fund Expenditures</u>
2004	\$ 297,000	\$ 279,660	\$ 576,660	\$ 29,127,839	1.98%
2003	283,000	292,748	575,748	26,404,270	2.18%
2002	271,000	383,089	654,089	23,087,655	2.83%
2001	263,000	317,171	580,171	25,701,066	2.26%
2000	240,000	328,032	568,032	24,332,487	2.33%
1999	233,000	338,480	571,480	21,902,864	2.61%
1998	220,000	330,202	550,202	19,581,764	2.81%
1997	103,000	244,615	347,615	19,573,965	1.78%
1996	101,000	249,107	350,107	17,950,974	1.95%
1995	39,000	172,772	211,772	17,326,596	1.22%

Source: Holmes County Auditor

(1) 1994 was the first year Holmes County issued long-term general obligation bonded debt

HOLMES COUNTY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2004

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County (1)</u>	<u>Amount Applicable to County</u>
Direct:			
Holmes County	\$ 5,025,000	100.00%	\$ 5,025,000
Village of Killbuck	35,700	100.00%	35,700
Hardy Township	38,280	100.00%	38,280
Total Direct	<u>5,098,980</u>		<u>5,098,980</u>
Overlapping:			
Village of Loudonville	38,390	10.96%	4,208
Village of Baltic	170,803	46.86%	80,038
Danville School District	1,581,000	3.75%	59,288
East Holmes School District	3,520,000	99.70%	3,509,440
Garaway School District	1,475,000	2.05%	30,238
West Holmes School District	14,495,000	94.69%	13,725,316
Ashland-West Holmes Career Center JVSD	155,000	25.32%	39,246
Knox County Career Center JVSD	304,845	0.16%	488
Knox County Library District	1,115,000	0.20%	2,230
Total Overlapping	<u>22,855,038</u>		<u>17,450,490</u>
Total	<u><u>27,954,018</u></u>		<u><u>22,549,470</u></u>

Source: Holmes County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the subdivision.

(2) School district data is presented on a fiscal year basis because that is the manner in which the information is maintained.

HOLMES COUNTY, OHIO

REVENUE BOND COVERAGE
LAST TEN YEARS (1)

<u>Year</u>	<u>Gross Revenue (2)</u>	<u>Operating Expenses Net of Depreciation Expense</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
Sewer District Enterprise Fund							
2004	\$ 705,224	\$ 397,798	\$ 307,426	\$ 206,500	\$ 140,450	\$ 346,950	0.89
2003	913,524	375,253	538,271	32,000	142,050	174,050	3.09
2002	889,662	747,582	142,080	30,000	155,375	185,375	0.77
2001	562,648	302,920	259,728	28,000	210,887	238,887	1.09
2000	610,872	240,806	370,066	27,000	146,300	173,300	2.14
1999	646,252	431,506	214,746	26,000	147,600	173,600	1.24
1998	557,954	410,479	147,475	25,000	145,919	170,919	0.86
Joel Pomerene Hospital Enterprise Fund							
2004	\$25,520,211	\$ 23,569,269	\$ 1,950,942	\$ 54,000	\$ 56,581	\$ 110,581	17.64
2003	24,116,090	20,859,165	3,256,925	350,250	77,256	427,506	7.62
2002	22,356,337	19,073,710	3,282,627	515,915	107,863	623,778	5.26
2001	18,993,566	16,789,333	2,204,233	48,000	121,299	169,299	13.02
2000	16,895,444	15,291,494	1,603,950	47,000	112,800	159,800	10.04
1999	16,994,498	15,197,119	1,797,379	43,000	115,328	158,328	11.35
1998	16,022,835	14,121,805	1,901,030	40,000	115,326	155,326	12.24
1997	15,397,291	13,093,266	2,304,025	37,000	119,850	156,850	14.69
1996	12,592,529	11,357,008	1,235,521	36,000	137,543	173,543	7.12
1995	11,367,399	10,398,314	969,085	34,000	141,320	175,320	5.53

Source: Holmes County Auditor

(1) 1998 was the first year debt service payments were made on the sewer revenue bond.

(2) Includes operating revenues and interest income.

HOLMES COUNTY, OHIO

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2004	38,943	4,662	4.20%
2003	38,943	4,661	2.80%
2002	38,943	4,635	3.60%
2001	38,943	4,580	2.40%
2000	38,943	4,616	2.40%
1999	38,295	4,606	2.40%
1998	37,841	4,640	3.40%
1997	37,373	4,745	3.30%
1996	32,849	4,752	3.70%
1995	32,849	4,708	3.20%

Sources: (1) U.S. Census Bureau, Federal 2000
(2) Tri-County Educational Service Center
(3) Ohio Department of Job and Family

HOLMES COUNTY, OHIO

CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES
LAST TEN YEARS

Year	New Construction			Real Property Value (1)			Bank Deposits (2)
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt	
2004	\$ 15,570,020	\$ 9,126,520	\$ 24,696,540	\$ 453,273,610	\$ 92,959,970	\$ 35,131,490	\$ 520,868
2003	13,942,290	3,856,080	17,798,370	438,241,870	84,978,790	34,415,610	513,300
2002	12,270,820	2,365,980	14,636,800	424,208,720	80,771,420	34,166,210	501,242
2001	12,425,850	4,038,620	16,464,470	381,349,720	74,258,490	29,950,190	510,726
2000	9,259,980	2,150,950	11,410,930	368,129,320	71,573,810	29,385,830	475,000
1999	9,628,550	1,051,610	10,680,160	358,679,900	69,687,480	24,524,040	458,339
1998	10,228,720	1,423,580	11,652,300	284,539,640	65,359,310	22,345,330	430,886
1997	10,639,870	3,551,870	14,191,740	275,756,210	63,882,910	20,197,600	418,105
1996	9,664,740	4,593,400	14,258,140	264,728,830	61,152,370	19,520,950	383,844
1995	8,706,240	5,033,120	13,739,360	224,817,470	56,467,470	19,321,730	359,973

Sources Holmes County Auditor
Federal Reserve Bank - Cleveland, Ohio

- (1) Does not include land and mineral rights.
- (2) Bank Deposits are in Thousands

HOLMES COUNTY, OHIO

PRINCIPAL TAXPAYERS- PROPERTY TAX
DECEMBER 31, 2004

<u>Taxpayer</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
Columbia Gas	Public Utility	\$ 7,909,170	1.17%
Wayne Door Corp.	Manufacturer	7,171,130	1.06%
Owens Illinois	Business	6,384,790	0.95%
Ohio Power Company	Public Utility	5,872,690	0.87%
Holmes Wayne Electric	Public Utility	4,439,390	0.66%
Gemi Holdings	Business	3,687,960	0.55%
Keim Lumber	Business	3,681,900	0.55%
United Telephone Company	Public Utility	3,455,540	0.51%
Walnut Hills	Business	3,260,770	0.48%
Alpine Cheese Company	Business	2,519,470	0.37%
Total		<u>\$ 48,382,810</u>	<u>7.80%</u>
Total County Assessed Valuation		<u>\$ 675,382,350</u>	

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

MISCELLANEOUS STATISTICS
DECEMBER 31, 2004

Year of Incorporation 1825
1,729 Largest County in the United States (3,141 Counties in U.S.)
County Seat: Millersburg, Ohio

Agriculture (3):
Number of Farms 1,800
Average Size of Farm (Acres) 108
Land in Farms (Acres) 195,000

Area- Square Miles 424

Livestock (Head):
All Cattle 51,900
Milk Cows 18,400
Hogs and Pigs 18,300
Sheep and Lambs 2,500

Number of Political Subdivisions Located in the County:

Townships 14
Villages 7
School Districts 7
Joint Vocational Schools 4
Library 1
Fire Districts 4
Park Districts 1

Crops (Acres):
Corn 17,200
Wheat 2,900
Soybeans 11,900
Oats 7,500
Hay 45,000

Road Mileage (1):

U.S. and State Highways 174.44
County Highways 249.87
Township Highways 565.37

Agricultural Sales (2004 Data)
Poultry/Other Livestock Income \$ 32,148,000
Total Cash Farm Marketing \$ 85,680,000
Average Cash Receipts per Farm \$ 47,600
Average Cash Marketings per Acre \$ 439

Communications:

1 Radio Station - WKLM 95.3 FM
2 Weekly Newspapers - Holmes Co. Hub &
Holmes County Journal

Average age of farm operator 47.2 years

Voter Statistics, Election of November 2004 (2):

Number of Registered Voters 17,870
Number of Voters, Last General Election 11,789
Percentage of Registered Voters Voting 65.97%

Holmes County sold 212,900,000 pounds of milk in 2004.

Sources:

- (1) Holmes County Engineer
 - (2) Holmes County Board of Elections
 - (3) Holmes County Ohio State University Extension
- All other information obtained from County Records.



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

FINANCIAL CONDITION

HOLMES COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 29, 2005**