



**HOLMES COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**



**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, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 28, 2006 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditor's. We also noted the County combined a nonmajor Special Revenue Fund with the major Enterprise Sewer Fund. Fund balance/net assets at January 1, 2005 have been restated as a result of this reclassification. 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 2005-002.

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 August 25, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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

### **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 2005-001 and 2005-003. In a separate letter to the County's management dated August 25, 2006, we reported other matters related to noncompliance we deemed immaterial.

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

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

**Betty Montgomery**  
Auditor of State

June 28, 2006



## 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, 2005. 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.

The County's basic financial statements include the operations of the Enterprise Hospital major fund which received \$738,119 in federal awards which is not included in the Federal Awards Expenditures Schedule for the year ended December 31, 2005. Our audit of Federal awards, described below, did not include the operations of the Hospital because the component unit engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

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, Holmes County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005.

### **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.

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 August 25, 2006.

### **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, 2005, and have issued our report thereon dated June 28, 2006 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. We also noted the County combined a nonmajor Special Revenue Fund with the major Enterprise Sewer Fund. Fund balance/net assets at January 1, 2005 have been restated as a result of this reclassification. 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

August 25, 2006 except for the Federal Awards Expenditures Schedule which is dated June 28, 2006.



HOLMES COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education_Grants to States	066403-6BSF-2005-P	84.027	\$68,868
Special Education_Preschool Grants	066043-PGSI-2005-P	84.173	43,975
<b>Total Special Education Cluster</b>			<b>112,843</b>
State Grants for Innovative Programs	066043-C2S1-2005	84.298	307
<i>Passed through the Ohio Department of Health:</i>			
Special Education _Grants for Infants and Families with Disabilities	38-1-002-1-EG-05	84.181	39,019
<b>Total U.S. Department of Education</b>			<b>152,169</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Direct:</i>			
Community Development Block Grants/State's Program	B-F-04-035-1	14.228	237,337
Community Development Block Grants/State's Program	B-C-04-035-1		154,277
<b>Total Community Development Block Grants/State's Program</b>			<b>391,614</b>
HOME Investment Partnerships Program	B-C-04-035-2	14.239	84,203
<b>Total U.S. Department of Housing and Urban Development</b>			<b>475,817</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Edward Byrne Memorial State and Local Law Enforcement Discretionary Grants Program	2004-DG-D02-7460	16.738	57,560
Crime Victim Assistance	2005-VA-GEN-E274	16.575	73,848
<b>Total U.S. Department of Justice</b>			<b>131,408</b>
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>			
<i>Passed through the Ohio Department of Public Safety:</i>			
Emergency Management Performance Grant	2005-EM-T5-0001	97.042	7,765
Public Assistance Grants	075-0545A-00	97.036	460,401
State Domestic Preparedness Equipment Support Program	2005-GE-T5-0001	97.073	83,069
<b>Total Federal Emergency Management Agency</b>			<b>551,235</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Social Services Block Grant	N/A	93.667	24,257
Medical Assistance Program	N/A	93.778	459,519
<b>Total U.S. Department of Health and Human Services</b>			<b>483,776</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	N/A	10.555	53,161
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
WIA Adult Program	N/A	17.258	55,322
WIA Youth Activities	N/A	17.259	37,730
WIA Dislocated Workers	N/A	17.260	28,402
Unemployment Insurance	N/A	17.225	7,049
<b>Total U.S. Department of Labor</b>			<b>128,503</b>
<b><u>U.S. GENERAL SERVICES ADMINISTRATION</u></b>			
<i>Passed through Ohio Secretary of State</i>			
Election Reform Payments	05-SOS-HAVA-38	39.011	10,236
Help America Vote Act Requirement Payments	E05-0096-38	90.401	246,119
<b>Total U.S. General Services Administration</b>			<b>256,355</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	N/A	20.205	1,602,213
<b>Federal Aviation Administration (FAA)</b>			
<i>Direct:</i>			
Airport Improvement Program	3-39-0056-0303	20.106	78,637
<b>Total U.S. Department of Transportation</b>			<b>1,680,850</b>
<b>Total</b>			<b>\$3,913,274</b>

The accompanying notes are an integral part of this schedule.

## HOLMES COUNTY

### NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE FISCAL YEAR ENDED DECEMBER 31, 2005

#### **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, 2005**

**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 Public Assistance Grants, CFDA 97.036 Medical Assistance Program, CFDA 93.778 Help America Vote Act Requirement Payments, CFDA 90.401
<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 2005-001

### Noncompliance Citations

**Ohio Rev. Code 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.

During 2005, contrary to Ohio Rev. Code Section 5705.42, the County did not initially record on-behalf monies for federal grants received from the Ohio Department of Transportation in the Rails to Trails nonmajor capital projects fund in the amount of \$1,582,213 and the County did not initially record on-behalf monies received from the State of Ohio in the Help America Vote Act nonmajor special revenue fund in the amount of \$259,200. In addition, the County did not initially record Issue II monies for Sewer fund and Motor Vehicle License and Gas Tax fund projects in the amounts of \$267,254 and \$326,772, respectively. The financial statements have been adjusted to reflect the on-behalf activity. The County should establish a procedure to help ensure all on-behalf monies are recorded. The County should refer to Auditor of State Bulletins 2002-004 and 2000-008 for guidance on this and other related topics.

**Officials' Response:** The County will establish a procedure to ensure on-behalf grant monies are recorded. The County will work with the financial software vendor to establish a way to record these transactions.

## FINDING NUMBER 2005-002

### 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 2005-002 (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.

**Officials' Response:** Since the reportable condition concerning the Rails to Trails issue was not officially communicated to the County until September 19, 2005 and the transfer of property to the Park District which assumed responsibility for the Trail in 2006 was tied up due to a legal dispute, the County did not take corrective action on the recommendation in 2005.

### FINDING NUMBER 2005-003

#### Finding for Recovery Repaid Under Audit

##### Holmes County Clerk of Court Employee Overpayment

Former Holmes County Clerk of Courts Office employee, Mary Ellen Ryan, retired at the beginning of the 2005 fiscal year. At that time, Ms. Ryan had an accumulated sick leave balance of 807.78 hours. County policy 11.3A permits severance payout upon retirement of 25 percent of the total sick leave balance up to a maximum of 240 hours. Based on this policy, Ms. Ryan would have been entitled to a payout of 201.95 hours. However, the calculation presented for payout to the County Auditor by the Clerk of Court's Office was for the maximum payout of 240 hours. Thus, Ms. Ryan was over compensated upon retirement by \$561.24 ((240 hrs-201.95) x \$14.75/hr).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued jointly and severally against the Clerk of Courts, Dorcas Miller, along with the former employee, Mary Ellen Ryan in the aforementioned respective amount and in favor of Holmes County's General Fund.

The former employee, Mary Ellen Ryan, repaid \$561.24 on August 31, 2006.

**Officials' Response:** The former employee has repaid the County for the overcompensation.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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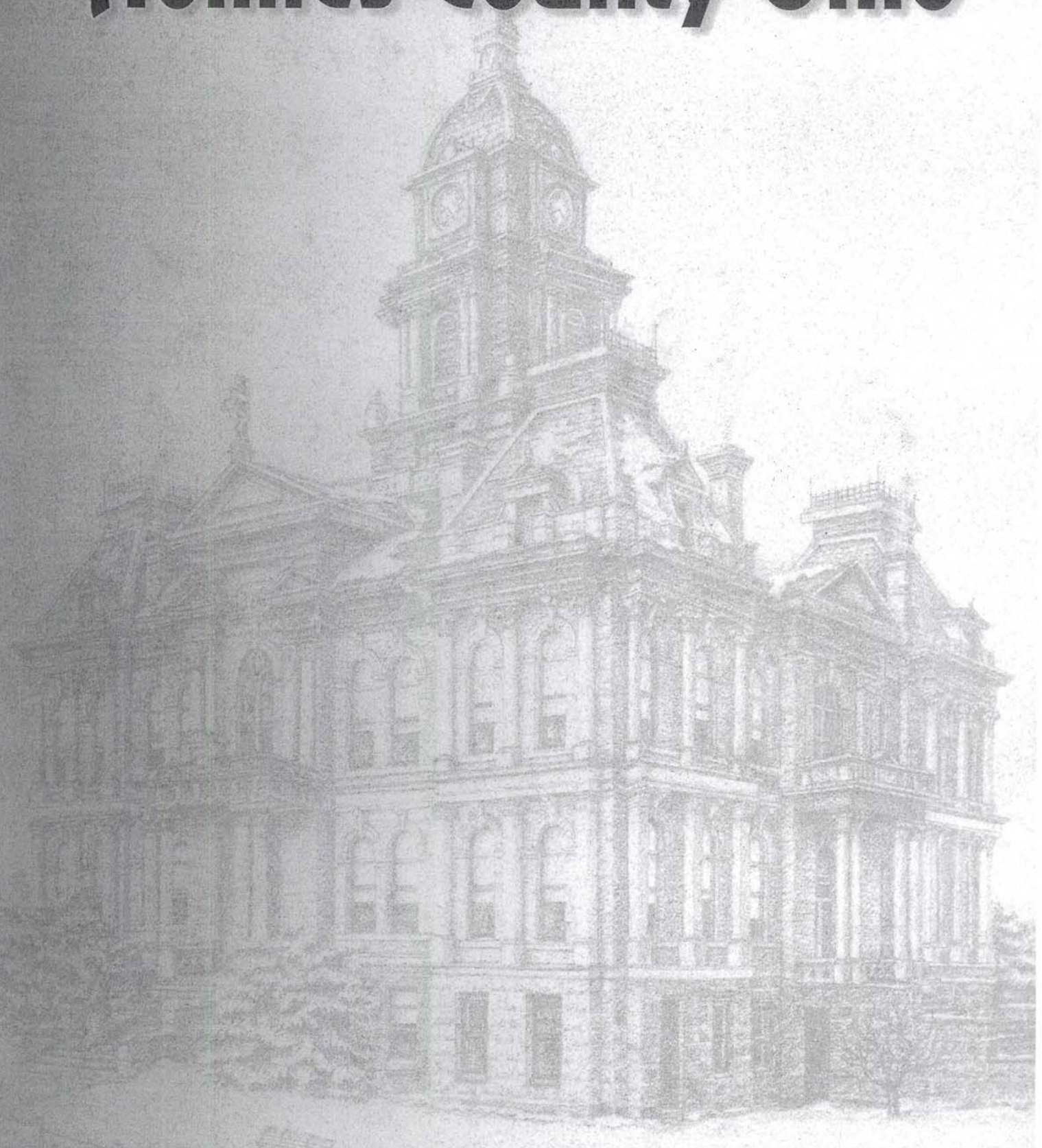
None.

HOLMES COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	Ohio Rev. Code Section 5705.41(B), failure to appropriate funds prior to expenditure and 5705.42, failure to record appropriation of grant funding.	No	Not Corrected. See Finding 2005-001.
2004-002	Ohio Rev. Code Section 5705.41(D), failure to certify expenditures.	No	Not Corrected; Reported in the Management Letter due to a lower percentage of noncompliance.
2004-003	Agreement between the Rails to Trails Coalition Agency and the County Commissioners has not been clarified as suggested.	No	Not Corrected. See Finding 2005-002.

# Holmes County Ohio



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2005





# Holmes County Ohio

Comprehensive Annual Financial Report  
For The Year Ended December 31, 2005



## Jackie McKee

Holmes County Auditor

Prepared by the Holmes County Auditor's Office



COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF

HOLMES COUNTY, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2005

PREPARED BY  
AUDITOR'S OFFICE  
JACKIE MCKEE, AUDITOR

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**HOLMES COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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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

June 28, 2006

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, 2005. 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. This report is being presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis-for State and Local Governments."

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.

The Comprehensive Annual Financial Report consists of three major sections:

1. The Introductory Section contains the Table of Contents, Letter of Transmittal, the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, the list of Elected Officials and the Organization Chart for the County.
2. The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements, and other schedules providing detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents financial, economic, social and demographic data about the County for the last 10 years.

Ohio law requires independent audits to be performed on all financial operations of the County either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2005. The Independent Accountants' Report on the basic financial statements is included in the financial section of this report.

As a part of the County's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's independent audit for the year ended December 31, 2005 provided no instances of material weaknesses in the internal control structure.

This transmittal letter is designed to provide historical information about the County, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The County's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Accountant's Report and should be read in conjunction with this transmittal letter.

### **The 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 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 and Agency, and all departments and activities that are directly operated by the elected County officials. The Joel Pomerene Hospital and the Rails-to-Trails Coalition and Agency are reported as blended component units.

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.

### **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 valuations 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, the County Budget Commission and is the Deputy Registrar for the State of Ohio in Holmes County.

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.

## **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 the lowest rate of unemployment in the State of Ohio, 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. Holmes County's annual population estimates also show the County to be in the top 10 fastest growing communities in the State.

2005 was the twelfth 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 2005 for the bed tax decreased compared to the previous year; \$329,797 in 2004 to \$322,639 in 2005. The decrease may be due to the high gasoline prices. A total of \$120,878.82 was distributed to organizations for community projects including \$40,000 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.

### **MAJOR INITIATIVES**

#### **Current**

The County continues to be involved in a variety of projects. These projects reflect the County's commitment to ensuring that its citizens are able to live and work in an enviable environment.

***Millersburg Waste Water Treatment Plant*** – Increase capacity

***Walnut Creek Waste Water Treatment Expansion*** – Increase capacity

***Holmes County Rails to Trails*** – Complete 11 miles of biking/buggy/walking trail from Millersburg to Fredericksburg

***Wayne Dalton Corporation*** – has completed a \$15 million expansion and added approx. 60 new positions to the Mt. Hope facility.

***Ontario Systems*** – a software development company near Winesburg is nearing completion of a 10,000 square foot expansion that will add approximately 40 positions

## **Future**

The County will continue to provide a variety of services required to meet the needs of its citizens and actively support economic development in the area. We look forward to the following significant activities made possible by the citizens of Holmes County and its government.

*Millersburg Pomerene Hospital* - continues to improve their facility with a \$500,000 project

*Millersburg Storm Drainage Improvement* - \$700,00 project

*Millersburg Well Field Development* - \$1,500,000 project

*Holmes County Rails to Trails* – Killbuck Extension \$1,000,000 project

*Walnut Creek Waste Water Treatment Phase 2* - \$700,000 project

*Walnut Creek Sidewalks* - \$120,000 project

The County in a joint effort through the GIS department will embark on a network system connecting all county offices.

## **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 government-wide financial statements, including governmental activities, are also prepared using the accrual basis of accounting.

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.

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. 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, 2005, 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, 2004. This was the thirteenth 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.

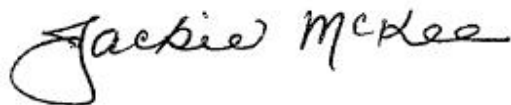
A Certificate of Achievement is valid for a period of one-year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to the GFOA to determine its eligibility to receive the certificate, which is the highest form of 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 fourteenth 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, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Enos*

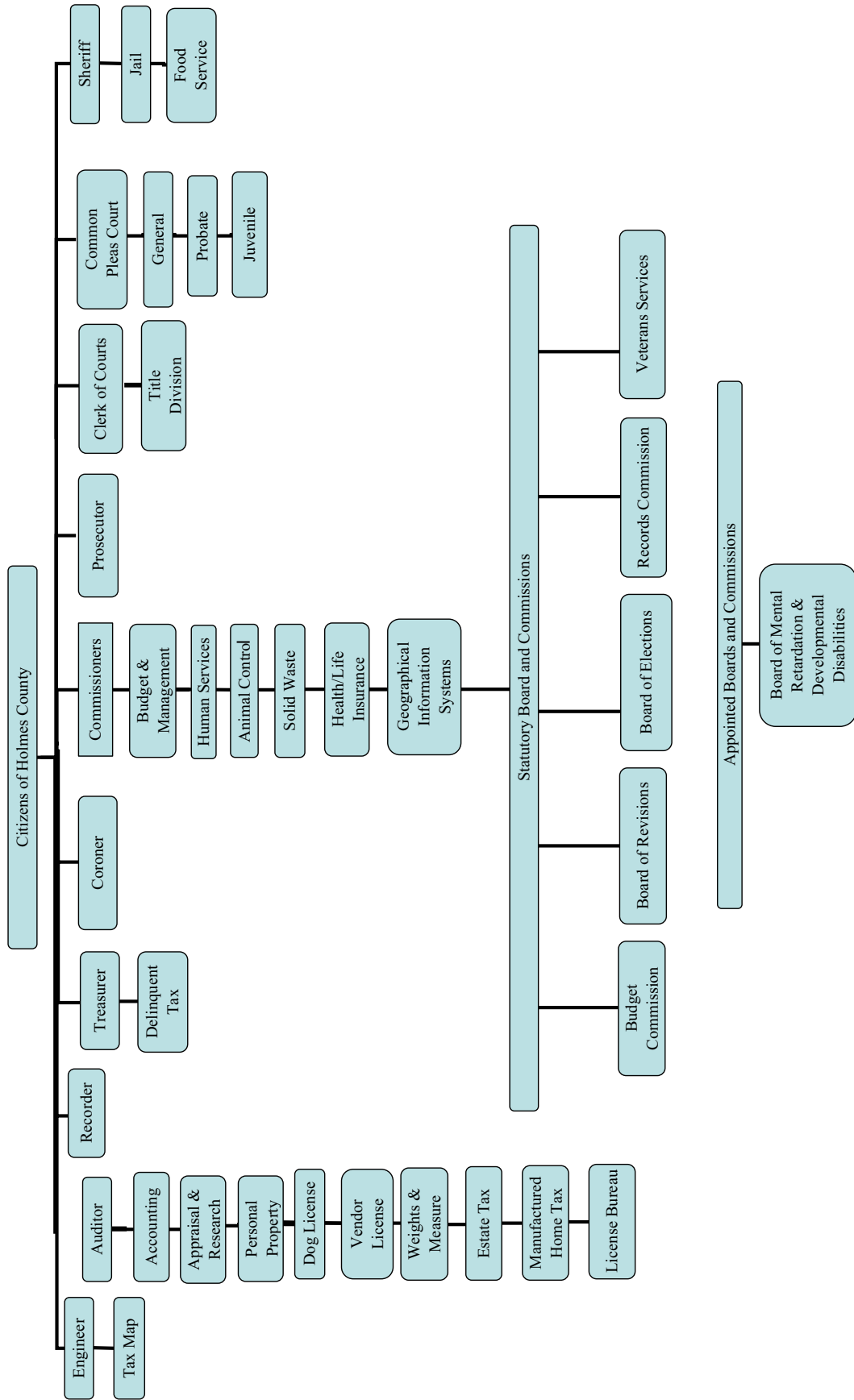
Executive Director

**HOLMES COUNTY, OHIO**

**ELECTED OFFICIALS  
DECEMBER 31, 2005**

Commissioner . . . . . David L. Hall  
Commissioner . . . . . Joe Miller  
Commissioner . . . . . Ray Feikert  
Auditor. . . . . Jackie McKee  
Treasurer. . . . . Joyce L. Yoder  
Prosecuting Attorney . . . . . Stephen Knowing  
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, 2005, 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 77 percent, 95 percent and 96 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, 2005, 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.

As more fully discussed in Note 3 to the basic financial statements, the County has combined a nonmajor Special Revenue Fund with the major Enterprise Sewer Fund. Fund balance/net assets at January 1, 2005 have been restated as a result of this reclassification.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2006, 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.



**Betty Montgomery**  
Auditor of State

June 28, 2006



## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 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, 2005. 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 2005 are as follows:

- The total net assets of the County increased \$3,922,940. Net assets of governmental activities increased \$2,831,682, which represents a 8.80% increase over fiscal year 2004. Net assets of business-type activities increased \$1,091,258 or 5.17% from fiscal year 2004.
- General revenues accounted for \$14,417,173 or 43.62% of total governmental activities revenue. Program specific revenues accounted for \$18,632,755 or 56.38% of total governmental activities revenue.
- The County had \$29,950,992 in expenses related to governmental activities; \$18,632,755 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$14,417,173 were adequate to provide for these programs.
- The General fund, the County's largest major governmental fund, had revenues of \$10,146,265 in 2005, an increase of \$800,298 or 8.56% from 2004 revenues. The General fund, had expenditures and other financing uses of \$10,035,182 in 2005, an increase of \$787,980 or 8.52% from 2004. The net changes in revenues and expenditures contributed to the General fund balance increase of \$111,083 from 2004 to 2005.
- The County Board of Mental Retardation and Developmentally Disabled (MR/DD) fund, a major governmental fund, had revenues of \$5,457,920 in 2005, an increase of \$385,523 or 7.60% from 2004 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$5,230,633 in 2005, an increase of \$369,933 or 7.61% from 2004. The increase in expenditures and the increase in revenues contributed to the County Board of MR/DD fund balance increase of \$227,287 from 2004 to 2005.
- The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$4,904,106 in 2005, an increase of \$1,187,688 or 31.96% from 2004 revenues. The Motor Vehicle License and Gas Tax fund, had expenditures of \$4,328,663 in 2005, an increase of \$642,508 or 17.43% from 2004. The increase in revenues and the increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance increase of \$575,443 from 2004 to 2005.
- The County Home fund, a major governmental fund, had revenues of \$1,473,179 in 2005. The County Home fund, had expenditures of \$1,481,363 in 2005. The County Home fund balance decreased \$8,184 from 2004 to 2005.
- 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 2005 by \$1,091,258. This increase in net assets was mainly due to adequate charges for services revenue to cover operating expenses.
- In the General fund, the actual revenues came in \$1,478,899 higher than they were originally budgeted and actual expenditures and financing uses were \$275,205 higher than the amount in the original budget. These variances are a result of the County's conservative budgeting process.

## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

#### **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 four 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 2005?" 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. 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.

## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

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) and County Home. 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 F22-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.

#### ***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-F87 of this report.

**HOLMES COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED

**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 2005 and 2004.

	<b>Net Assets</b>					
	Governmental Activities 2005	Business-type Activities 2005	Restated Governmental Activities 2004	Restated Business-type Activities 2004	2005 Total	Restated 2004 Total
	<u>Assets</u>					
Current and other assets	\$ 20,756,064	\$ 14,854,006	\$ 20,847,484	\$ 15,264,643	\$ 35,610,070	\$ 36,112,127
Capital assets	<u>27,463,246</u>	<u>15,249,867</u>	<u>25,019,642</u>	<u>14,527,670</u>	<u>42,713,113</u>	<u>39,547,312</u>
Total assets	<u>48,219,310</u>	<u>30,103,873</u>	<u>45,867,126</u>	<u>29,792,313</u>	<u>78,323,183</u>	<u>75,659,439</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	5,906,113	5,765,716	6,136,113	6,163,628	11,671,829	12,299,741
Other liabilities	<u>7,286,970</u>	<u>2,148,906</u>	<u>7,536,468</u>	<u>2,530,692</u>	<u>9,435,876</u>	<u>10,067,160</u>
Total liabilities	<u>13,193,083</u>	<u>7,914,622</u>	<u>13,672,581</u>	<u>8,694,320</u>	<u>21,107,705</u>	<u>22,366,901</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	22,748,246	12,350,301	19,832,946	10,591,883	35,098,547	30,424,829
Restricted	10,477,227	-	10,464,596	-	10,477,227	10,464,596
Unrestricted	<u>1,800,754</u>	<u>9,838,950</u>	<u>1,897,003</u>	<u>10,506,110</u>	<u>11,639,704</u>	<u>12,403,113</u>
Total net assets	<u>\$ 35,026,227</u>	<u>\$ 22,189,251</u>	<u>\$ 32,194,545</u>	<u>\$ 21,097,993</u>	<u>\$ 57,215,478</u>	<u>\$ 53,292,538</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2005, the County's assets exceeded liabilities by \$57,215,478. This amounts to \$35,026,227 in governmental activities and \$22,189,251 in business-type activities. The County's finances remained strong during 2005, 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 54.53% of total governmental and business-type assets. Capital assets include land, buildings and improvements, furniture, fixtures and equipment, vehicles, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2005, were \$35,098,547. 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, 2005, 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. A portion of the County's net assets, \$10,477,227 or 18.31%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net assets of \$1,800,754 may be used to meet the government's ongoing obligations to citizens and creditors.

**HOLMES COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2005 and 2004.

	<b>Change in Net Assets</b>					
	Governmental	Business-type	Restated	Restated	2005	Restated
	Activities	Activities	Governmental	Business-type		
	2005	2005	Activities	Activities	Total	Total
	2004	2004	2004	2004		2004
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 4,507,187	\$ 26,547,654	\$ 4,346,680	\$ 26,215,058	\$ 31,054,841	\$ 30,561,738
Operating grants and contributions	11,823,905	1,010,865	10,549,989	-	12,834,770	10,549,989
Capital grants and contributions	<u>2,301,663</u>	<u>-</u>	<u>1,902,565</u>	<u>-</u>	<u>2,301,663</u>	<u>1,902,565</u>
Total program revenues	<u>18,632,755</u>	<u>27,558,519</u>	<u>16,799,234</u>	<u>26,215,058</u>	<u>46,191,274</u>	<u>43,014,292</u>
General revenues:						
Property taxes	6,385,560	-	5,805,122	-	6,385,560	5,805,122
Sales tax	4,442,924	-	4,203,613	66,000	4,442,924	4,269,613
Unrestricted grants	953,881	-	1,094,021	-	953,881	1,094,021
Investment earnings	397,310	25,709	269,905	46,129	423,019	316,034
Other	<u>2,237,498</u>	<u>53,022</u>	<u>1,076,293</u>	<u>18,126</u>	<u>2,290,520</u>	<u>1,094,419</u>
Total general revenues	<u>14,417,173</u>	<u>78,731</u>	<u>12,448,954</u>	<u>130,255</u>	<u>14,495,904</u>	<u>12,579,209</u>
Total revenues	<u>33,049,928</u>	<u>27,637,250</u>	<u>29,248,188</u>	<u>26,345,313</u>	<u>60,687,178</u>	<u>55,593,501</u>
<b>Expenses</b>						
Program Expenses:						
General government						
Legislative and executive	4,307,187	-	4,182,615	-	4,307,187	4,182,615
Judicial	1,982,537	-	1,850,754	-	1,982,537	1,850,754
Public safety	4,883,558	-	4,386,860	-	4,883,558	4,386,860
Public works	5,510,580	-	4,647,634	-	5,510,580	4,647,634
Health	220,165	-	199,602	-	220,165	199,602
Human services	12,144,961	-	10,732,872	-	12,144,961	10,732,872
Conservation and recreation	377,696	-	1,160,668	-	377,696	1,160,668
Intergovernmental	227,200	-	221,255	-	227,200	221,255
Other	17,833	-	59,724	-	17,833	59,724
Interest and fiscal charges	279,275	-	285,079	-	279,275	285,079
Sewer District		695,417		729,803	695,417	729,803
County Disposal	-	714,376	-	491,614	714,376	491,614
Joel Pomerene Hospital	-	25,396,163	-	24,798,716	25,396,163	24,798,716
Nonmajor:						
East Holmes Water	<u>-</u>	<u>7,290</u>	<u>-</u>	<u>9,616</u>	<u>7,290</u>	<u>9,616</u>
Total expenses	<u>29,950,992</u>	<u>26,813,246</u>	<u>27,727,063</u>	<u>26,029,749</u>	<u>56,764,238</u>	<u>53,756,812</u>
Excess revenues over expenses	3,098,936	824,004	1,521,125	315,564	1,836,689	2,152,253
Transfers	<u>(267,254)</u>	<u>267,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	2,831,682	1,091,258	1,521,125	315,564	3,922,940	1,836,689
<b>Net assets at beginning of year (restated)</b>	<u>32,194,545</u>	<u>21,097,993</u>	<u>30,673,420</u>	<u>20,782,429</u>	<u>53,292,538</u>	<u>51,455,849</u>
<b>Net assets at end of year</b>	<u>\$ 35,026,227</u>	<u>\$ 22,189,251</u>	<u>\$ 32,194,545</u>	<u>\$ 21,097,993</u>	<u>\$ 57,215,478</u>	<u>\$ 53,292,538</u>

**HOLMES COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED**

**Governmental Activities**

Governmental activities net assets increased by \$2,831,682 in 2005 over 2004. This increase is due to revenues increasing faster than expenses in 2005 compared to 2004.

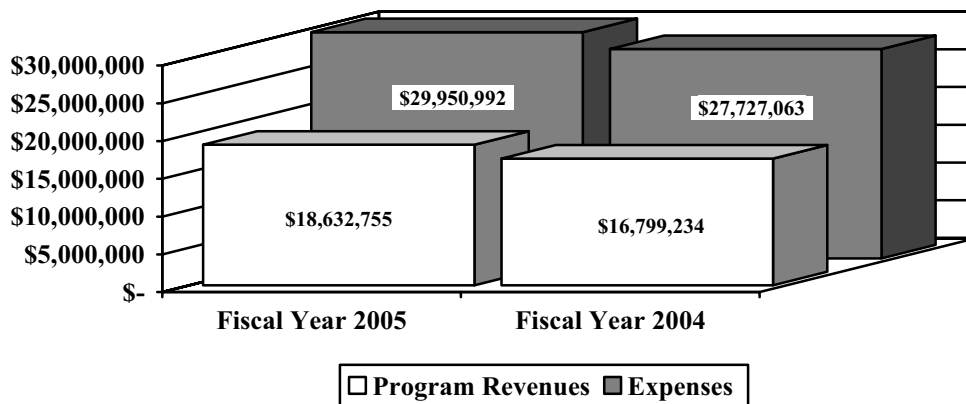
Human services, which supports the operations of the County Home, County Board of MR/DD, Job and Family Services (Public Assistance), Veteran Services, and the Children Services Board, accounts for \$12,144,961 of expenses, or 40.55% of total governmental expenses of the County. These expenses were funded by \$766,465 in charges to users of services in 2005. General government expenses which includes legislative and executive and judicial programs, accounted for \$4,307,187 or 14.38% of total governmental expenses. General government expenses were covered by \$2,135,184 of direct charges to users in 2005.

The state and federal government contributed to the County revenues of \$11,823,905 in operating grants and contributions and \$2,301,663 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total, operating grants and contributions, \$5,989,982, or 46.67%, subsidized human services programs.

General revenues totaled \$14,417,173, and amounted to 43.62% of total revenues. These revenues primarily consist of property and sales tax revenue of \$10,828,484 or 75.11% of total general revenues in 2005. 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 \$953,881, or 6.62% 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 2005 and 2004. 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**

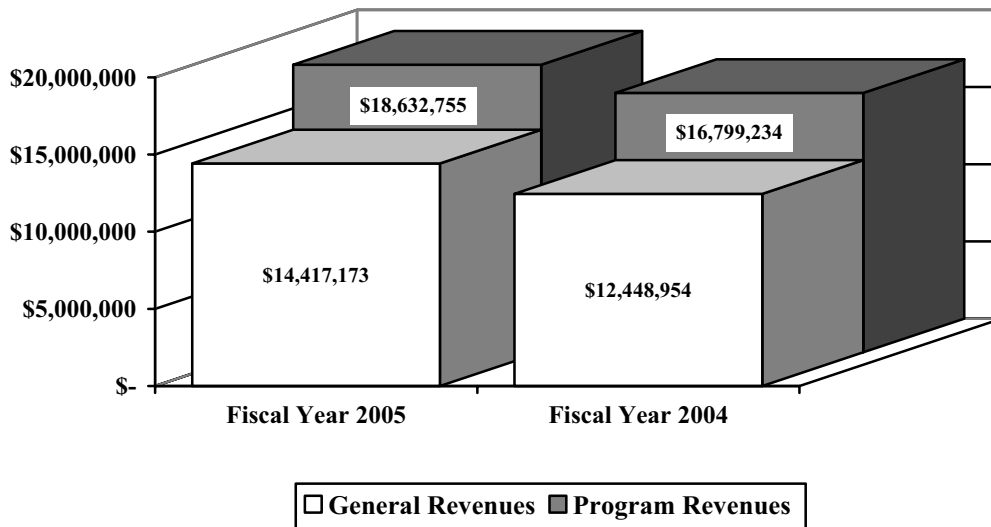
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED

**Governmental Activities**

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Program Expenses:				
General government				
Legislative and executive	\$ 4,307,187	\$ 1,408,624	\$ 4,182,615	\$ 1,610,189
Judicial	1,982,537	1,610,167	1,850,754	1,458,282
Public safety	4,883,558	4,275,483	4,386,860	3,532,155
Public works	5,510,580	(599,141)	4,647,634	15,085
Health	220,165	76,223	199,602	74,333
Human services	12,144,961	5,388,514	10,732,872	4,462,008
Conservation and recreation	377,696	(1,365,941)	1,160,668	(790,281)
Intergovernmental	227,200	227,200	221,255	221,255
Other	17,833	17,833	59,724	59,724
Interest and fiscal charges	279,275	279,275	285,079	285,079
<b>Total</b>	<b>\$ 29,950,992</b>	<b>\$ 11,318,237</b>	<b>\$ 27,727,063</b>	<b>\$ 10,927,829</b>

The dependence upon general revenues for governmental activities is apparent, with 37.79% of expenses supported through taxes and other general revenues during 2005. The graph below illustrates the County's reliance upon general revenues.

**Governmental Activities – General and Program Revenues**



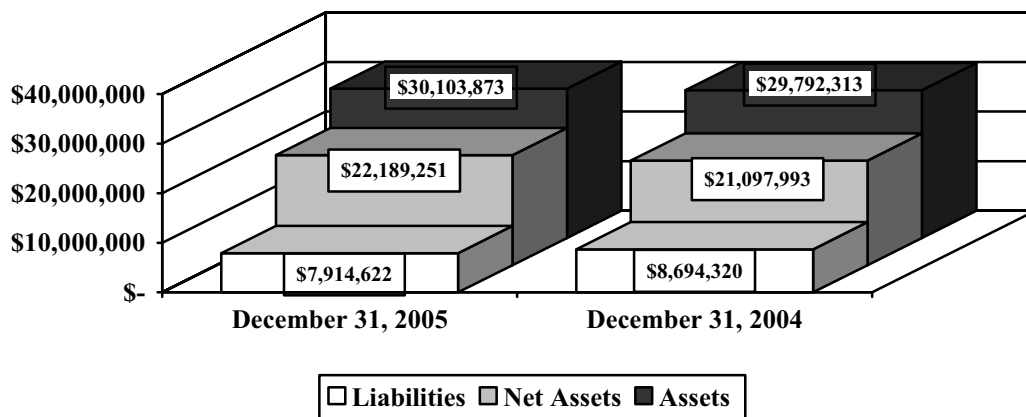
## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

#### 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 \$27,558,519, general revenues of \$78,731, and expenses of \$26,813,246 for fiscal year 2005. The net assets of the enterprise funds increased \$1,091,258 or 5.17% during 2005. The following graph illustrates the assets, liabilities and net assets of the County's business-type activities at December 31, 2005 and 2004:

**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 reported on the balance sheet on pages F22-F23) reported a combined fund balance of \$10,931,197, which is \$38,950 above last year's total of \$10,892,247.

#### *General Fund*

The County's general fund balance increased \$111,083, primarily due to decreasing expenditures and increasing revenues. The table that follows assists in illustrating the revenues of the general fund.



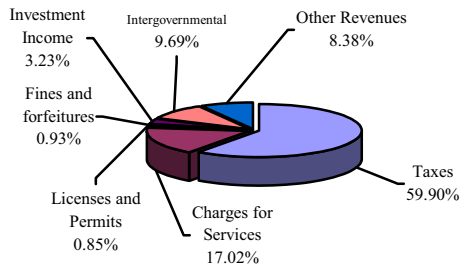
**HOLMES COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED**

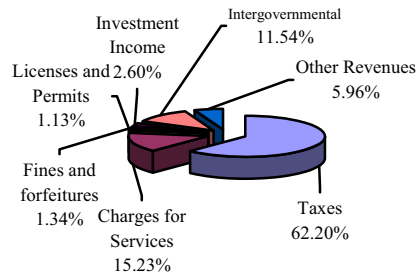
	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 6,076,693	\$ 5,742,062	5.83 %
Charges for services	1,726,942	1,405,753	22.85 %
Licenses and permits	86,353	104,766	(17.58) %
Fines and forfeitures	94,639	123,843	(23.58) %
Intergovernmental	983,230	1,065,181	(7.69) %
Investment income	328,182	240,263	36.59 %
Other	850,226	549,921	54.61 %
<b>Total</b>	<b><u>\$ 10,146,265</u></b>	<b><u>\$ 9,231,789</u></b>	<b>9.91 %</b>

Tax revenue represents 59.89% of all general fund revenue. Tax revenue increased slightly by 5.83% over prior year. The increase in investment income is due to increasing interest rates throughout the year. The increase in charges for services revenue is due to the County’s increased collections of charges for services. All other revenue remained comparable to 2004 except “other” which increased due to return of local funding from the Childrens Services fund.

**Revenues – Fiscal Year 2005**



**Revenues – Fiscal Year 2004**



The table that follows assists in illustrating the expenditures of the general fund.

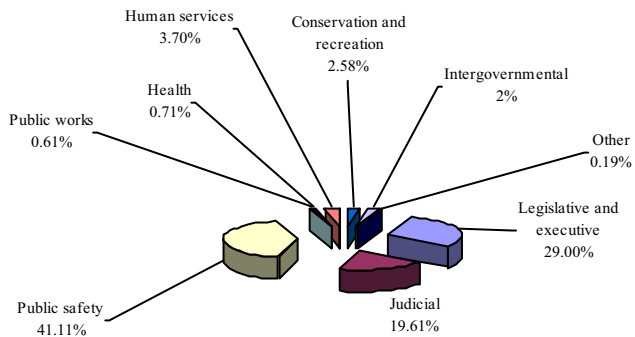
## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

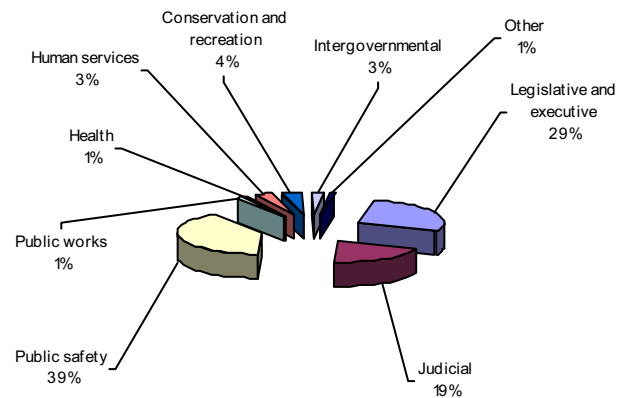
	<u>2005</u> Amount	<u>2004</u> Amount	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government			
Legislative and executive	\$ 2,656,583	\$ 2,446,055	8.61 %
Judicial	1,796,657	1,606,825	11.81 %
Public safety	3,765,961	3,372,902	11.65 %
Public works	55,634	69,983	(20.50) %
Health	65,411	62,774	4.20 %
Human services	338,620	286,399	18.23 %
Conservation and recreation	236,413	295,328	(19.95) %
Intergovernmental	227,200	221,255	2.69 %
Other	17,833	59,724	(70.14) %
<b>Total</b>	<b><u>\$ 9,160,312</u></b>	<b><u>\$ 8,421,245</u></b>	<b>8.78 %</b>

The most significant increases were in the areas of judicial general government and human services. The decrease in public works and conservation and recreation is due to the County's control of expenditures. All other expenditures remained comparable to 2004.

**Expenditures - Fiscal Year 2005**



**Expenditures - Fiscal Year 2004**



## HOLMES COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

#### ***County Board of MR/DD***

The County Board of MR/DD fund, a major governmental fund, had revenues of \$5,457,920 in 2005, an increase of \$385,523 or 7.60% from 2004 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$5,230,633 in 2005, an increase of \$369,933 or 7.61% from 2004. The increase in expenditures and the increase in revenues contributed to the County Board of MR/DD fund balance increase of \$227,287 from 2004 to 2005.

#### ***Motor Vehicle License and Gas Tax Fund***

The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$4,904,106 in 2005, an increase of \$1,187,688 or 31.96% from 2004 revenues. The Motor Vehicle License and Gas Tax fund, had expenditures of \$4,328,663 in 2005, an increase of \$642,508 or 17.43% from 2004. The increase in revenues and the increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance increase of \$575,443 from 2004 to 2005.

#### ***County Home Fund***

The County Home fund, a major governmental fund, had revenues of \$1,473,179 in 2005. The County Home fund, had expenditures of \$1,481,363 in 2005. The County Home fund balance decreased \$8,184 from 2004 to 2005.

#### ***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 \$9,967,224 exceeded final budgeted revenues by \$813,854 or 8.89%. This increase is due to greater than anticipated receipts in charges for services revenue. The difference between the final budget and actual expenditures and financing uses was a \$333,360 or 3.29% decrease in expenditures.

#### ***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.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED

Capital Assets and Debt Administration

Capital Assets

At the end of 2005, the County had \$42,713,113 (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, \$27,463,246 was reported in governmental activities and \$15,249,867 was reported in business-type activities. The following table shows fiscal 2005 balances compared to 2004:

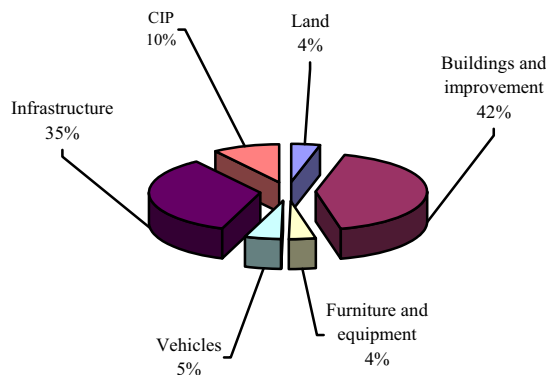
Capital Assets at December 31  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 1,169,244	\$ 1,114,244	\$ 1,298,379	\$ 1,289,509	\$ 2,467,623	\$ 2,403,753
Building and improvements	11,570,962	11,604,517	5,361,966	5,880,282	16,932,928	17,484,799
Furniture, fixtures and equipment	1,106,884	578,845	5,639,000	4,750,383	6,745,884	5,329,228
Vehicles	1,457,229	1,212,319	57,266	69,586	1,514,495	1,281,905
Infrastructure	9,486,263	9,219,682	-	-	9,486,263	9,219,682
Sewer/water lines	-	-	2,810,305	2,454,959	2,810,305	2,454,959
Construction in progress	2,672,664	1,290,035	82,951	82,951	2,755,615	1,372,986
Total	\$ 27,463,246	\$ 25,019,642	\$ 15,249,867	\$ 14,527,670	\$ 42,713,113	\$ 39,547,312

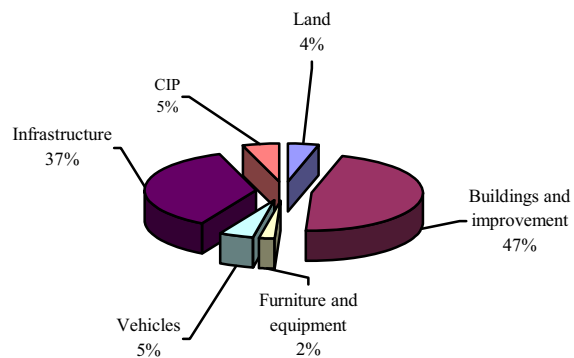
See Note 10 to the basic financial statements for detail on the County's capital assets.

The following graphs show the breakdown of governmental capital assets by category for 2005 and 2004.

Capital Assets - Governmental Activities 2005



Capital Assets - Governmental Activities 2004

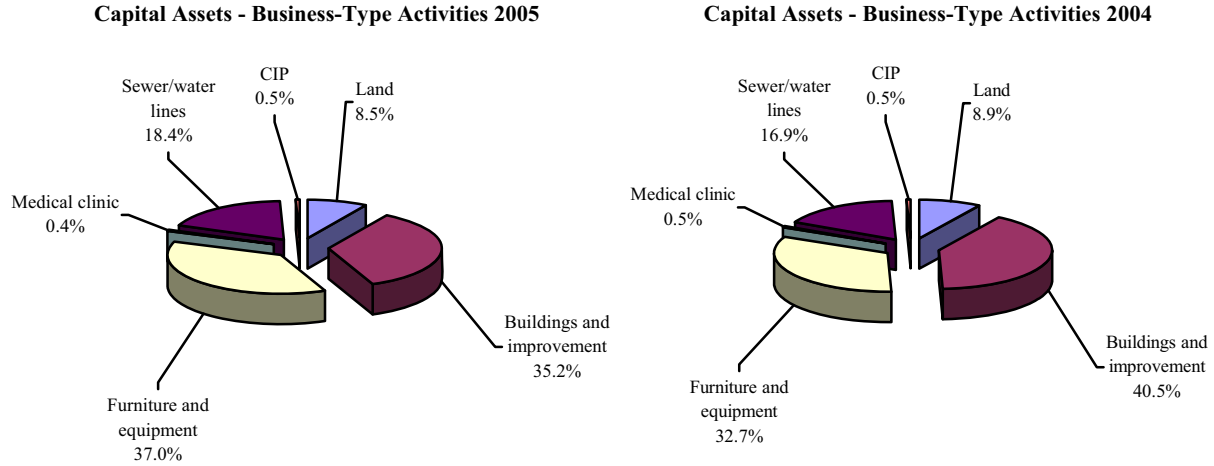


The County's second largest capital asset category is infrastructure which includes roads, bridges and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 35% of the County's total governmental capital assets.

**HOLMES COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005  
UNAUDITED

The following graphs show the breakdown of business-type capital assets by category for 2005 and 2004.



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 18.40% of the County's total business-type capital assets.

**Debt Administration**

At December 31, 2005 the County had \$4,715,000 in general obligation bonds, \$152,584 in notes, \$2,568,500 in revenue bonds and OPWC loans of \$106,551 outstanding. Of this total, \$351,252 is due within one year and \$7,191,383 is due within greater than one year. The following table summarizes the bonds, notes and loans outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities 2005	Business-Type Activities 2005	Governmental Activities 2004	Business-Type Activities 2004
Long-Term Obligations				
General obligation bonds:	\$ 4,715,000	\$ -	\$ 5,025,000	\$ -
Rails-to-trails note	152,584	-	161,696	-
Revenue bonds	-	2,568,500	-	3,509,335
OPWC loans	-	106,551	-	113,363
Total	<u>\$ 4,867,584</u>	<u>\$ 2,675,051</u>	<u>\$ 5,186,696</u>	<u>\$ 3,622,698</u>

The County's voted legal debt margin was \$15,928,707 at December 31, 2005 and the unvoted legal debt margin was \$6,277,547 at December 31, 2005. See Note 14 to the basic financial statements for detail on governmental activities and business-type activities long-term obligations.

## **HOLMES COUNTY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED**

#### **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 3.8%, compared to the 5.0% state average and the 4.7% 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 \$9,153,370. 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.

**BASIC  
FINANCIAL STATEMENTS**

HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 10,350,466	\$ 1,129,442	\$ 11,479,908
Cash and cash equivalents in segregated accounts . . . . .	14,235	1,389,652	1,403,887
Receivables (net of allowances for uncollectibles):			
Sales taxes . . . . .	770,925	-	770,925
Real estate and other taxes . . . . .	6,128,663	-	6,128,663
Accounts . . . . .	189,128	4,287,777	4,476,905
Due from other governments. . . . .	2,558,256	132,746	2,691,002
Notes and loans . . . . .	-	160,924	160,924
Prepayments . . . . .	60,569	686,051	746,620
Materials and supplies inventory. . . . .	683,822	383,445	1,067,267
Assets limited as to use . . . . .	-	6,683,969	6,683,969
Capital assets:			
Land and construction in progress. . . . .	3,841,908	1,381,330	5,223,238
Depreciable capital assets, net. . . . .	23,621,338	13,868,537	37,489,875
Total capital assets. . . . .	<u>27,463,246</u>	<u>15,249,867</u>	<u>42,713,113</u>
Total assets. . . . .	<u>48,219,310</u>	<u>30,103,873</u>	<u>78,323,183</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	618,905	482,011	1,100,916
Accrued wages and benefits . . . . .	341,630	1,393,409	1,735,039
Due to other governments . . . . .	399,402	24,412	423,814
Deferred revenue. . . . .	5,906,453	139	5,906,592
Accrued interest payable. . . . .	20,580	85,617	106,197
Other accrued expenses. . . . .	-	163,318	163,318
Long-term liabilities:			
Due within one year. . . . .	1,061,520	154,107	1,215,627
Due in more than one year . . . . .	4,844,593	5,611,609	10,456,202
Total liabilities . . . . .	<u>13,193,083</u>	<u>7,914,622</u>	<u>21,107,705</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt. . . . .	22,748,246	12,350,301	35,098,547
Restricted for:			
Capital projects . . . . .	521,606	-	521,606
Debt service . . . . .	172,860	-	172,860
Public works projects . . . . .	3,319,526	-	3,319,526
Public safety programs. . . . .	1,078,044	-	1,078,044
Human services programs . . . . .	4,277,662	-	4,277,662
Other purposes . . . . .	1,107,529	-	1,107,529
Unrestricted . . . . .	<u>1,800,754</u>	<u>9,838,950</u>	<u>11,639,704</u>
Total net assets. . . . .	<u>\$ 35,026,227</u>	<u>\$ 22,189,251</u>	<u>\$ 57,215,478</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Component Units**

<b>Lynn Hope Industries, Incorporated</b>	<b>Holmes County Airport Authority</b>	<b>Regional Planning Commission</b>
\$ -	\$ -	\$ 135,575
32,111	227,868	-
-	-	-
-	-	-
15,365	875	-
-	14,894	400
-	-	-
-	368	-
451	-	-
-	-	-
-	54,357	-
31,945	422,358	-
31,945	476,715	-
79,872	720,720	135,975
378	2,678	-
-	-	3,281
478	412	4,516
-	26,799	-
-	-	-
-	-	-
24,656	-	12,809
183,535	-	4,334
209,047	29,889	24,940
31,945	476,715	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(161,120)	214,116	111,035
\$ (129,175)	\$ 690,831	\$ 111,035

HOLMES COUNTY, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<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>
<b>Governmental Activities:</b>				
General government:				
Legislative and executive . . . . .	\$ 4,307,187	\$ 2,135,184	\$ 763,379	\$ -
Judicial . . . . .	1,982,537	284,192	88,178	-
Public safety . . . . .	4,883,558	184,344	423,731	-
Public works . . . . .	5,510,580	993,060	4,522,635	594,026
Health . . . . .	220,165	143,942	-	-
Human services . . . . .	12,144,961	766,465	5,989,982	-
Conservation and recreation . . . . .	377,696	-	36,000	1,707,637
Intergovernmental . . . . .	227,200	-	-	-
Other . . . . .	17,833	-	-	-
Interest and fiscal charges . . . . .	279,275	-	-	-
Total governmental activities . . . . .	<u>29,950,992</u>	<u>4,507,187</u>	<u>11,823,905</u>	<u>2,301,663</u>
<b>Business-Type Activities:</b>				
Sewer District . . . . .	695,417	723,251	272,746	-
County Disposal . . . . .	714,376	128,386	-	-
Joel Pomerene Hospital . . . . .	25,396,163	25,690,208	738,119	-
Nonmajor:				
East Holmes Water . . . . .	7,290	5,809	-	-
Total business-type activities . . . . .	<u>26,813,246</u>	<u>26,547,654</u>	<u>1,010,865</u>	<u>-</u>
Total primary government . . . . .	<u>\$ 56,764,238</u>	<u>\$ 31,054,841</u>	<u>\$ 12,834,770</u>	<u>\$ 2,301,663</u>
<b>Component Units:</b>				
Lynn Hope Industries, Inc. . . . .	353,481	170,003	162,702	-
Holmes County Airport Authority . . . . .	115,087	72,535	94,510	-
Regional Planning Commission . . . . .	200,064	-	167,176	-
Total component units . . . . .	<u>\$ 668,632</u>	<u>\$ 242,538</u>	<u>\$ 424,388</u>	<u>\$ -</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 . . . . .	. . . . .
Transfers . . . . .	. . . . .
Change in net assets . . . . .	. . . . .
<b>Net assets at beginning of year (restated) . . . . .</b>	<b>. . . . .</b>
<b>Net assets at end of year . . . . .</b>	<b>. . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>			<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Lynn Hope Industries, Inc.</b>	<b>Holmes County Airport Authority</b>	<b>Regional Planning Commission</b>
\$ (1,408,624)	\$ -	\$ (1,408,624)	\$ -	\$ -	\$ -
(1,610,167)	-	(1,610,167)	-	-	-
(4,275,483)	-	(4,275,483)	-	-	-
599,141	-	599,141	-	-	-
(76,223)	-	(76,223)	-	-	-
(5,388,514)	-	(5,388,514)	-	-	-
1,365,941	-	1,365,941	-	-	-
(227,200)	-	(227,200)	-	-	-
(17,833)	-	(17,833)	-	-	-
(279,275)	-	(279,275)	-	-	-
<u>(11,318,237)</u>	<u>-</u>	<u>(11,318,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	300,580	300,580	-	-	-
-	(585,990)	(585,990)	-	-	-
-	1,032,164	1,032,164	-	-	-
-	(1,481)	(1,481)	-	-	-
<u>-</u>	<u>745,273</u>	<u>745,273</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(11,318,237)</u>	<u>745,273</u>	<u>(10,572,964)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(20,776)	-	-
-	-	-	-	51,958	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,888)</u>
-	-	-	(20,776)	51,958	(32,888)
2,177,348	-	2,177,348	-	-	-
2,999,057	-	2,999,057	-	-	-
1,209,155	-	1,209,155	-	-	-
4,442,924	-	4,442,924	-	-	-
953,881	-	953,881	-	-	-
397,310	25,709	423,019	697	3,783	-
2,237,498	53,022	2,290,520	3,000	382	685
<u>14,417,173</u>	<u>78,731</u>	<u>14,495,904</u>	<u>3,697</u>	<u>4,165</u>	<u>685</u>
<u>(267,254)</u>	<u>267,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,831,682	1,091,258	3,922,940	(17,079)	56,123	(32,203)
<u>32,194,545</u>	<u>21,097,993</u>	<u>53,292,538</u>	<u>(112,096)</u>	<u>634,708</u>	<u>143,238</u>
<u>\$ 35,026,227</u>	<u>\$ 22,189,251</u>	<u>\$ 57,215,478</u>	<u>\$ (129,175)</u>	<u>\$ 690,831</u>	<u>\$ 111,035</u>

HOLMES COUNTY, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

	General	County Board of MR/DD	Motor Vehicle License and Gas Tax
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 1,395,187	\$ 2,272,005	\$ 1,697,480
Cash and cash equivalents in segregated accounts . . . . .	12,635	-	-
Receivables (net of allowance for uncollectibles):			
Sales taxes . . . . .	688,925	-	-
Real estate and other taxes . . . . .	2,238,332	2,943,569	-
Accounts . . . . .	55,322	2,422	43,696
Loans to other funds . . . . .	55,000	-	-
Due from other funds . . . . .	30,376	-	-
Due from other governments . . . . .	439,548	362,891	1,159,033
Prepayments . . . . .	39,717	4,756	4,539
Materials and supplies inventory . . . . .	69,581	10,947	582,111
Total assets . . . . .	<u>\$ 5,024,623</u>	<u>\$ 5,596,590</u>	<u>\$ 3,486,859</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 152,407	\$ 96,423	\$ 5,124
Accrued wages and benefits . . . . .	118,221	77,939	44,647
Compensated absences payable . . . . .	-	-	9,257
Loans from other funds . . . . .	-	-	-
Due to other funds . . . . .	-	7,723	-
Due to other governments . . . . .	138,348	69,215	38,922
Deferred revenue . . . . .	2,992,105	3,293,478	631,985
Total liabilities . . . . .	<u>3,401,081</u>	<u>3,544,778</u>	<u>729,935</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	27,589	-	-
Reserved for prepayments . . . . .	39,717	4,756	4,539
Reserved for materials and supplies inventory . . . . .	69,581	10,947	582,111
Reserved for loans . . . . .	55,000	-	-
Reserved for debt service . . . . .	-	-	-
Unreserved:			
Designated for compensated absences reported in special revenue funds . . . . .	-	-	-
Undesignated, reported in:			
General fund . . . . .	1,431,655	-	-
Special revenue funds . . . . .	-	2,036,109	2,170,274
Capital projects funds . . . . .	-	-	-
Total fund balances . . . . .	<u>1,623,542</u>	<u>2,051,812</u>	<u>2,756,924</u>
Total liabilities and fund balances . . . . .	<u>\$ 5,024,623</u>	<u>\$ 5,596,590</u>	<u>\$ 3,486,859</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>County Home</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 123,028	\$ 4,862,766	\$ 10,350,466
-	1,600	14,235
-	82,000	770,925
946,762	-	6,128,663
35,337	52,351	189,128
-	-	55,000
-	7,723	38,099
44,800	551,984	2,558,256
6,279	5,278	60,569
5,922	15,261	683,822
<u>\$ 1,162,128</u>	<u>\$ 5,578,963</u>	<u>\$ 20,849,163</u>
\$ 15,380	\$ 349,571	\$ 618,905
24,237	76,586	341,630
-	-	9,257
-	55,000	55,000
-	30,376	38,099
22,038	130,879	399,402
991,562	546,543	8,455,673
<u>1,053,217</u>	<u>1,188,955</u>	<u>9,917,966</u>
-	20,980	48,569
6,279	5,278	60,569
5,922	15,261	683,822
-	-	55,000
-	158,440	158,440
-	250,000	250,000
-	-	1,431,655
96,710	3,425,161	7,728,254
-	514,888	514,888
<u>108,911</u>	<u>4,390,008</u>	<u>10,931,197</u>
<u>\$ 1,162,128</u>	<u>\$ 5,578,963</u>	<u>\$ 20,849,163</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2005

<b>Total governmental fund balances</b>		\$ 10,931,197
<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.		27,463,246
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 222,210	
Sales tax	381,608	
Intergovernmental revenues	1,889,337	
Fines and forfeitures	33	
Other revenues	27,868	
Rental income	39	
Charges for services	28,125	
	<hr/>	
Total		2,549,220
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	(4,715,000)	
Note payable	(152,584)	
Compensated absences	(1,029,272)	
Accrued interest payable	(20,580)	
	<hr/>	
Total		<u>(5,917,436)</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 35,026,227</u></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, 2005

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>
<b>Revenues:</b>			
Property taxes . . . . .	\$ 2,179,299	\$ 3,004,807	\$ -
Sales taxes . . . . .	3,897,394	-	-
Charges for services . . . . .	1,726,942	93,216	-
Licenses and permits . . . . .	86,353	-	-
Fines and forfeitures . . . . .	94,639	-	54,076
Intergovernmental . . . . .	983,230	2,039,079	4,580,069
Investment income . . . . .	328,182	1,434	273
Rental income . . . . .	14,027	-	-
Contributions and donations . . . . .	-	-	-
Other . . . . .	836,199	319,384	269,688
Total revenues . . . . .	<u>10,146,265</u>	<u>5,457,920</u>	<u>4,904,106</u>
<b>Expenditures:</b>			
Current:			
General government:			
Legislative and executive . . . . .	2,656,583	-	-
Judicial . . . . .	1,796,657	-	-
Public safety . . . . .	3,765,961	-	-
Public works . . . . .	55,634	-	4,328,663
Health . . . . .	65,411	-	-
Human services . . . . .	338,620	5,175,633	-
Conservation and recreation . . . . .	236,413	-	-
Intergovernmental . . . . .	227,200	-	-
Other . . . . .	17,833	-	-
Capital outlay . . . . .	-	-	-
Debt service:			
Principal retirement . . . . .	-	-	-
Interest and fiscal charges . . . . .	-	-	-
Total expenditures . . . . .	<u>9,160,312</u>	<u>5,175,633</u>	<u>4,328,663</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>985,953</u>	<u>282,287</u>	<u>575,443</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	-	-
Transfers out . . . . .	(874,870)	(55,000)	-
Total other financing sources (uses) . . . . .	<u>(874,870)</u>	<u>(55,000)</u>	<u>-</u>
Net change in fund balances . . . . .	111,083	227,287	575,443
<b>Fund balances at beginning of year (restated) . .</b>	<u>1,512,459</u>	<u>1,824,525</u>	<u>2,181,481</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,623,542</u>	<u>\$ 2,051,812</u>	<u>\$ 2,756,924</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



<b>County Home</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 893,193	\$ -	\$ 6,077,299
-	492,325	4,389,719
446,490	1,759,726	4,026,374
-	342,210	428,563
-	81,800	230,515
88,991	7,162,546	14,853,915
-	67,447	397,336
33,387	137,318	184,732
-	105,424	105,424
11,118	801,109	2,237,498
<u>1,473,179</u>	<u>10,949,905</u>	<u>32,931,375</u>
-	1,441,778	4,098,361
-	140,090	1,936,747
-	1,017,608	4,783,569
-	1,102,721	5,487,018
-	132,131	197,542
1,481,363	5,449,148	12,444,764
-	46,394	282,807
-	-	227,200
-	-	17,833
-	2,816,753	2,816,753
-	319,112	319,112
-	280,719	280,719
<u>1,481,363</u>	<u>12,746,454</u>	<u>32,892,425</u>
<u>(8,184)</u>	<u>(1,796,549)</u>	<u>38,950</u>
-	963,270	963,270
-	(33,400)	(963,270)
-	929,870	-
(8,184)	(866,679)	38,950
117,095	5,256,687	10,892,247
<u>\$ 108,911</u>	<u>\$ 4,390,008</u>	<u>\$ 10,931,197</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, 2005

**Net change in fund balances - total governmental funds** \$ 38,950

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

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 exceeded depreciation expense in the current period.

Capital asset additions	\$ 4,134,585	
Current year depreciation	<u>(1,653,749)</u>	
Total		2,480,836

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (37,232)

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

Property taxes	\$ (8,705)	
Sales tax	53,205	
Intergovernmental revenues	120,110	
Interest revenue	(26)	
Fines and forfeitures	(1,385)	
Other revenues	(37,050)	
Rental income	39	
Charges for services	<u>(7,635)</u>	
Total		118,553

Repayment of bonds and notes are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 319,112

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,444

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. (89,981)

**Change in net assets of governmental activities** \$ 2,831,682

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,067,500	\$ 2,117,500	\$ 2,180,213	\$ 62,713
Sales taxes. . . . .	3,500,000	3,772,000	3,941,696	169,696
Charges for services. . . . .	1,158,500	1,171,730	1,509,255	337,525
Licenses and permits . . . . .	101,175	101,175	86,353	(14,822)
Fines and forfeitures . . . . .	97,000	97,000	94,302	(2,698)
Intergovernmental. . . . .	867,650	891,240	982,272	91,032
Investment income . . . . .	250,000	280,000	322,127	42,127
Rental income. . . . .	8,200	12,750	13,993	1,243
Other . . . . .	438,300	709,975	837,013	127,038
Total revenues. . . . .	<u>8,488,325</u>	<u>9,153,370</u>	<u>9,967,224</u>	<u>813,854</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	4,489,235	4,754,412	4,604,125	150,287
Judicial. . . . .	1,108,748	1,163,772	1,125,644	38,128
Public safety . . . . .	2,232,730	2,425,535	2,386,510	39,025
Public works . . . . .	56,230	56,230	54,946	1,284
Health . . . . .	64,000	65,966	65,909	57
Human services . . . . .	338,500	338,500	217,535	120,965
Conservation and recreation . . . . .	236,000	236,500	236,413	87
Other . . . . .	-	100	30	70
Intergovernmental . . . . .	227,200	227,200	227,200	-
Total expenditures . . . . .	<u>8,752,643</u>	<u>9,268,215</u>	<u>8,918,312</u>	<u>349,903</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(264,318)</u>	<u>(114,845)</u>	<u>1,048,912</u>	<u>1,163,757</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>(765,334)</u>	<u>(858,327)</u>	<u>(874,870)</u>	<u>(16,543)</u>
Total other financing uses . . . . .	<u>(765,334)</u>	<u>(858,327)</u>	<u>(874,870)</u>	<u>(16,543)</u>
Net change in fund balance. . . . .	(1,029,652)	(973,172)	174,042	1,147,214
<b>Fund balance at beginning of year . . . . .</b>	1,109,349	1,109,349	1,109,349	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>19,096</u>	<u>19,096</u>	<u>19,096</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 98,793</u>	<u>\$ 155,273</u>	<u>\$ 1,302,487</u>	<u>\$ 1,147,214</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,929,208	\$ 2,929,208	\$ 3,006,691	\$ 77,483
Charges for services . . . . .	63,234	83,715	93,216	9,501
Intergovernmental . . . . .	1,742,820	1,756,489	2,136,197	379,708
Investment income . . . . .	550	550	1,434	884
Other . . . . .	252,871	296,921	318,159	21,238
Total revenues . . . . .	<u>4,988,683</u>	<u>5,066,883</u>	<u>5,555,697</u>	<u>488,814</u>
<b>Expenditures:</b>				
Current:				
Human services . . . . .	<u>5,226,798</u>	<u>5,488,547</u>	<u>5,108,230</u>	<u>380,317</u>
Total expenditures . . . . .	<u>5,226,798</u>	<u>5,488,547</u>	<u>5,108,230</u>	<u>380,317</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(238,115)</u>	<u>(421,664)</u>	<u>447,467</u>	<u>869,131</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>(63,833)</u>	<u>(15,500)</u>	<u>(55,000)</u>	<u>(39,500)</u>
Total other financing uses . . . . .	<u>(63,833)</u>	<u>(15,500)</u>	<u>(55,000)</u>	<u>(39,500)</u>
Net change in fund balance. . . . .	(301,948)	(437,164)	392,467	829,631
<b>Fund balance at beginning of year . . . . .</b>	<u>1,805,270</u>	<u>1,805,270</u>	<u>1,805,270</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,503,322</u>	<u>\$ 1,368,106</u>	<u>\$ 2,197,737</u>	<u>\$ 829,631</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 32,000	\$ 32,000	\$ 42,041	\$ 10,041
Intergovernmental . . . . .	3,558,000	4,021,752	4,250,937	229,185
Other . . . . .	174,000	174,000	238,717	64,717
Total revenues . . . . .	<u>3,764,000</u>	<u>4,227,752</u>	<u>4,531,695</u>	<u>303,943</u>
<b>Expenditures:</b>				
Current:				
Public works. . . . .	5,489,007	5,952,759	4,561,243	1,391,516
Total expenditures . . . . .	<u>5,489,007</u>	<u>5,952,759</u>	<u>4,561,243</u>	<u>1,391,516</u>
Net change in fund balance. . . . .	(1,725,007)	(1,725,007)	(29,548)	1,695,459
<b>Fund balance at beginning of year . . . . .</b>	<u>1,725,007</u>	<u>1,725,007</u>	<u>1,725,007</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,459</u>	<u>\$ 1,695,459</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 857,560	\$ 857,560	\$ 893,638	\$ 36,078
Charges for services . . . . .	414,000	414,000	443,508	29,508
Intergovernmental . . . . .	89,600	89,600	88,991	(609)
Rental income . . . . .	31,285	31,285	34,836	3,551
Other . . . . .	6,200	6,200	11,118	4,918
<b>Total revenues . . . . .</b>	<u>1,398,645</u>	<u>1,398,645</u>	<u>1,472,091</u>	<u>73,446</u>
<b>Expenditures:</b>				
Current:				
Human services . . . . .	1,511,004	1,511,004	1,493,871	17,133
<b>Total expenditures . . . . .</b>	<u>1,511,004</u>	<u>1,511,004</u>	<u>1,493,871</u>	<u>17,133</u>
 Net change in fund balance. . . . .	 (112,359)	 (112,359)	 (21,780)	 90,579
<b>Fund balance at beginning of year . . . . .</b>	<u>128,454</u>	<u>128,454</u>	<u>128,454</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 16,095</u>	<u>\$ 16,095</u>	<u>\$ 106,674</u>	<u>\$ 90,579</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS  
ENTERPRISE FUNDS  
DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,063,172	\$ 63,533	\$ -	\$ 2,737
Cash and cash equivalents in segregated accounts . . . . .	-	-	1,389,652	-
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	67,001	21,578	4,197,772	1,426
Due from other governments . . . . .	132,746	-	-	-
Notes and loans . . . . .	160,924	-	-	-
Loans to other funds . . . . .	8,000	-	-	-
Materials and supplies inventory . . . . .	281	-	383,164	-
Prepayments. . . . .	-	-	686,051	-
Total current assets . . . . .	<u>1,432,124</u>	<u>85,111</u>	<u>6,656,639</u>	<u>4,163</u>
Noncurrent assets:				
Assets limited as to use, net of current portion . . . . .	-	-	6,683,969	-
Capital assets:				
Land and construction in progress . . . . .	10,100	368,540	1,002,690	-
Depreciable capital assets, net . . . . .	5,028,780	-	8,839,757	-
Total noncurrent assets . . . . .	<u>5,038,880</u>	<u>368,540</u>	<u>16,526,416</u>	<u>-</u>
Total assets . . . . .	<u>6,471,004</u>	<u>453,651</u>	<u>23,183,055</u>	<u>4,163</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	10,793	2,919	467,249	1,050
Accrued wages and benefits . . . . .	3,923	981	1,388,505	-
Compensated absences payable. . . . .	14,602	3,120	-	-
Other accrued expenses. . . . .	-	-	163,318	-
Due to other governments . . . . .	3,948	20,464	-	-
Loans from other funds. . . . .	-	-	-	8,000
Accrued interest payable. . . . .	85,617	-	-	-
Deferred revenue. . . . .	-	-	139	-
Current portion of revenue bonds payable . . . . .	37,000	-	-	-
Current portion of OPWC loan payable . . . . .	6,812	-	-	-
Current portion of capital lease obligation . . . . .	14,020	-	78,553	-
Total current liabilities . . . . .	<u>176,715</u>	<u>27,484</u>	<u>2,097,764</u>	<u>9,050</u>
Long-term liabilities:				
Revenue bonds payable . . . . .	2,531,500	-	-	-
Capital lease obligation . . . . .	14,796	-	117,146	-
Landfill closure and postclosure care liability . . . . .	-	2,848,428	-	-
OPWC loan payable . . . . .	99,739	-	-	-
Total long-term liabilities. . . . .	<u>2,646,035</u>	<u>2,848,428</u>	<u>117,146</u>	<u>-</u>
Total liabilities . . . . .	<u>2,822,750</u>	<u>2,875,912</u>	<u>2,214,910</u>	<u>9,050</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. . . . .	2,335,013	368,540	9,646,748	-
Unrestricted . . . . .	1,313,241	(2,790,801)	11,321,397	(4,887)
Total net assets . . . . .	<u>\$ 3,648,254</u>	<u>\$ (2,422,261)</u>	<u>\$ 20,968,145</u>	<u>\$ (4,887)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Total**

\$	1,129,442
	1,389,652
	4,287,777
	132,746
	160,924
	8,000
	383,445
	686,051
	<u>8,178,037</u>
	6,683,969
	1,381,330
	<u>13,868,537</u>
	<u>21,933,836</u>
	<u>30,111,873</u>
	482,011
	1,393,409
	17,722
	163,318
	24,412
	8,000
	85,617
	139
	37,000
	6,812
	92,573
	<u>2,311,013</u>
	2,531,500
	131,942
	2,848,428
	99,739
	<u>5,611,609</u>
	<u>7,922,622</u>
	12,350,301
	<u>9,838,950</u>
\$	<u>22,189,251</u>

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 723,251	\$ -	\$ 25,363,732	\$ 5,809
Royalties and fees . . . . .	-	128,386	-	-
Other. . . . .	-	-	326,476	-
Total operating revenues . . . . .	<u>723,251</u>	<u>128,386</u>	<u>25,690,208</u>	<u>5,809</u>
<b>Operating expenses:</b>				
Personal services . . . . .	201,230	55,433	13,272,029	-
Contract services . . . . .	180,353	22,707	-	7,290
Materials and supplies . . . . .	15,705	-	7,484,722	-
Depreciation . . . . .	199,651	-	1,307,627	-
Provision for bad debts . . . . .	-	-	926,258	-
Physician recruiting and incentive. . . . .	-	-	535,448	-
Medical professional fees . . . . .	-	-	1,824,389	-
Landfill closure and postclosure care costs . . . . .	-	635,024	-	-
Other. . . . .	3,292	1,212	-	-
Total operating expenses. . . . .	<u>600,231</u>	<u>714,376</u>	<u>25,350,473</u>	<u>7,290</u>
Operating income (loss) . . . . .	<u>123,020</u>	<u>(585,990)</u>	<u>339,735</u>	<u>(1,481)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue . . . . .	8,143	-	-	-
Intergovernmental revenue . . . . .	272,746	-	738,119	-
Interest expense and fiscal charges . . . . .	(95,186)	-	(51,737)	-
Net nonoperating income. . . . .	-	-	90,596	-
NE network grant - net. . . . .	-	-	(31,527)	-
Change in fair value of investments. . . . .	-	-	17,566	-
Total nonoperating revenues (expenses) . . . . .	<u>185,703</u>	<u>-</u>	<u>763,017</u>	<u>-</u>
Net income (loss) before contributions. . . . .	<u>308,723</u>	<u>(585,990)</u>	<u>1,102,752</u>	<u>(1,481)</u>
Capital contributions . . . . .	<u>267,254</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets. . . . .	<u>575,977</u>	<u>(585,990)</u>	<u>1,102,752</u>	<u>(1,481)</u>
<b>Net assets (deficit) at beginning of year (restated) .</b>	<u>3,072,277</u>	<u>(1,836,271)</u>	<u>19,865,393</u>	<u>(3,406)</u>
<b>Net assets (deficit) at end of year . . . . .</b>	<u>\$ 3,648,254</u>	<u>\$ (2,422,261)</u>	<u>\$ 20,968,145</u>	<u>\$ (4,887)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	
\$	26,092,792
	128,386
	326,476
	<u>26,547,654</u>
	13,528,692
	210,350
	7,500,427
	1,507,278
	926,258
	535,448
	1,824,389
	635,024
	4,504
	<u>26,672,370</u>
	<u>(124,716)</u>
	8,143
	1,010,865
	(146,923)
	90,596
	(31,527)
	17,566
	<u>948,720</u>
	824,004
	<u>267,254</u>
	1,091,258
	<u>21,097,993</u>
<u>\$</u>	<u>22,189,251</u>

HOLMES COUNTY, OHIO

STATEMENT OF CASH FLOWS  
 ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
<b>Cash flows from operating activities:</b>				
Cash received from sales/service charges . . . . .	\$ 721,857	\$ -	\$ 25,733,716	\$ 5,589
Cash received from royalties and fees . . . . .	-	114,615	-	-
Cash received from other operating revenue . . . . .	-	-	326,476	-
Cash payments for personal services . . . . .	(197,018)	(50,368)	(13,486,887)	-
Cash payments for contract services . . . . .	(192,293)	(27,858)	(10,151,878)	(6,240)
Cash payments for materials and supplies . . . . .	(18,605)	-	-	-
Cash payments for other expenses. . . . .	(3,216)	(1,212)	-	-
Net cash provided by (used in) operating activities . . . . .	310,725	35,177	2,421,427	(651)
<b>Cash flows from noncapital financing activities:</b>				
Cash received from state and federal grants . . . . .	140,000	-	738,119	-
Net cash provided by noncapital financing activities . . . . .	140,000	-	738,119	-
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(472,343)	-	(1,757,853)	-
Capital contributions . . . . .	267,254	-	-	-
Principal payments on capital lease obligations . . . . .	(13,284)	-	(75,290)	-
Interest payments on capital lease obligations. . . . .	(2,120)	-	-	-
Principal payments on bonds and loans . . . . .	(40,812)	-	(906,835)	-
Interest payments on bonds and loans . . . . .	(94,199)	-	(51,737)	-
Net cash (used in) capital and related financing activities . . . . .	(355,504)	-	(2,791,715)	-
<b>Cash flows from investing activities:</b>				
Cash received from interest . . . . .	8,869	-	144,190	-
Net (purchases) of investments. . . . .	-	-	(823,127)	-
Repayments from notes receivable . . . . .	12,682	-	-	-
Net cash provided by (used in) investing activities. . . . .	21,551	-	(678,937)	-
Net increase (decrease) in cash and cash equivalents . . . . .	116,772	35,177	(311,106)	(651)
<b>Cash and cash equivalents at beginning of year (restated) . . . . .</b>	<b>946,400</b>	<b>28,356</b>	<b>4,903,459</b>	<b>3,388</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 1,063,172</b>	<b>\$ 63,533</b>	<b>\$ 4,592,353</b>	<b>\$ 2,737</b>
Cash and cash equivalents include the following:				
Cash and cash equivalents . . . . .	1,063,172	63,533	1,389,652	2,737
Assets limited as to use cash and cash equivalents:				
Board designated for future capital improvements . . . . .	-	-	3,159,431	-
Funds available for future construction and equipment . . . . .	-	-	43,270	-
Total cash and cash equivalents. . . . .	\$ 1,063,172	\$ 63,533	\$ 4,592,353	\$ 2,737

**Total**

\$ 26,461,162  
114,615  
326,476  
(13,734,273)  
(10,378,269)  
(18,605)  
(4,428)

2,766,678

878,119

878,119

(2,230,196)  
267,254  
(88,574)  
(2,120)  
(947,647)  
(145,936)

(3,147,219)

153,059  
(823,127)  
12,682  
(657,386)

(159,808)

5,881,603  
\$ 5,721,795

2,519,094

3,159,431  
43,270  
\$ 5,721,795

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**HOLMES COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Sewer District</b>	<b>County Disposal</b>	<b>Joel Pomerene Hospital</b>	<b>Other Enterprise Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 123,020	\$ (585,990)	\$ 339,735	\$ (1,481)
Adjustments:				
Depreciation . . . . .	199,651	-	1,307,627	-
Bad debt expense . . . . .	-	-	926,258	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable . . . . .	(6,761)	13,186	126,460	(70)
Increase in third party settlements. . . . .	-	-	243,524	-
(Increase) in prepayments. . . . .	-	-	(90,638)	-
Increase (decrease) in accounts payable . . . . .	882	(586)	(102,452)	1,050
(Decrease) in other accrued expenses . . . . .	-	-	(338,526)	-
Decrease in inventories. . . . .	76	-	17,630	-
Decrease in contracts payable . . . . .	(866)	-	-	-
Increase (decrease) in accrued wages and benefits. . . . .	(22)	28	-	-
Increase in landfill closure and postclosure care liability . . . . .	-	635,024	-	-
Increase (decrease) in due to other governments. . . . .	(1,746)	267	-	-
Increase in compensated absences payable . . . . .	3,080	205	-	-
(Decrease) in deferred revenue . . . . .	(6,589)	(26,957)	(8,191)	(150)
Net cash provided by (used in) operating activities. . . . .	<u>\$ 310,725</u>	<u>\$ 35,177</u>	<u>\$ 2,421,427</u>	<u>\$ (651)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total**

---

\$ (124,716)  
1,507,278  
926,258  
132,815  
243,524  
(90,638)  
(101,106)  
(338,526)  
17,706  
(866)  
6  
635,024  
(1,479)  
3,285  

---

(41,887)  

---

\$ 2,766,678

**HOLMES COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
DECEMBER 31, 2005

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 2,808,485
Cash and cash equivalents in segregated accounts . . . . .	1,304,476
Receivables:	
Real estate and other taxes . . . . .	26,820,650
Accounts . . . . .	115,807
Due from other governments . . . . .	<u>669,720</u>
Total assets . . . . .	<u>\$ 31,719,138</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	\$ 88,633
Due to other governments. . . . .	570,299
Undistributed monies . . . . .	<u>31,060,206</u>
Total liabilities . . . . .	<u>\$ 31,719,138</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### 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, 2005**

**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:

*BLENDED COMPONENT UNITS*

*Rails-to-Trails Coalition and the Rails-to-Trails Agency (Rails)*

The financial activity of Rails will be blended into the County's financial statements. The County Commissioners office receives grants from the Ohio Department of Transportation on behalf of Rails and is liable for the grants use. The operation of Rails is accounted for as a nonmajor capital projects fund. Capital assets and long-term obligations associated with Rails are reflected in the statement of net assets.

*Joel Pomerene Hospital(Hospital)*

The Hospital's Board of Trustees is appointed by the County Commissioners and Judges. The Hospital is not legally separate from the County and, therefore, its financial activities are blended with that of the County. The operations of the Hospital are accounted for as a major enterprise fund.

*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.

## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

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.

##### *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 2005, the County contributed \$338,563 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 2005.

## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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

##### 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.

##### *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 2005 was \$119,151.

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, 2005

**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 2005.

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 2005.

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, 2005

**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.

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, 2005

#### 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, 2005**

**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, 2005, but which were levied to finance 2006 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, 2005

#### 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 original and final amended certificates issued during 2005.

**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 2005 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, 2005**

**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 2005, investments were limited to certificates of deposit, mutual funds and common stock. 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 \$349,185 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 2005. For the money market mutual fund, fair value is determined by the fund's share price at December 31, 2005. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

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 2005 amounted to \$328,182 which includes \$285,220 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 County'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, 2005

#### 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 2005, approximately 33 percent of the Hospital's total patient revenue was derived from Medicare payments while 10 percent was derived from Medicaid payments. Additionally, approximately 18 percent of the Hospital's total patient revenue was derived from individual self-payments in 2005. 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, 2005

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

The County maintained a capitalization threshold of \$2,500 during 2005. 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 2005, 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, 2005, 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, 2005**

**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, 2005, 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, and special termination benefits 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, 2005**

**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 year end are referred to as either "interfund receivable/interfund payable" for the current portion or "interfund loans to/from other funds" for the non-current portion of the 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". The County did not have any internal balances at December 31, 2005.

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, 2005**

**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 2005.

**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 COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2005, the County has implemented GASB Statement No. 40 "Deposit and Investment Risk Disclosures", and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not have an effect on the financial statements of the County, however additional note disclosure can be found in Note 4.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (continued)**

**B. Fund Reclassification**

The County has reclassified the Wastewater Treatment Rotary fund from a special revenue fund to a component of the Sewer Enterprise fund since the primary activity in this fund relates to financing sewer operations. The fund balance of the other governmental funds at December 31, 2004 (as shown below) includes \$3,875 of Rails-to-Trails fund balance which was previously reported as a major governmental fund in 2004. This fund reclassification had the following effect on fund balance and net assets as previously reported at December 31, 2004:

	Governmental Funds	Enterprise Funds
	Other Governmental	Sewer District
Fund balance/net assets at December 31, 2004	\$ 5,707,257	\$ 2,621,707
Fund reclassification	(450,570)	450,570
Restated fund balance/net assets at January 1, 2005	\$ 5,256,687	\$ 3,072,277

The fund reclassification also had the following effect on net assets as previously reported by the governmental and business-type activities:

	Governmental Activities	Business-Type Activities
Net assets at December 31, 2004	\$ 32,645,115	\$ 20,647,423
Fund reclassification	(450,570)	450,570
Restated net assets at January 1, 2005	\$ 32,194,545	\$ 21,097,993

**C. Deficit Fund Balances/Net Assets**

	Deficit
<u>Major Funds</u>	
County Disposal	\$ 2,422,261
<u>Nonmajor Enterprise Fund</u>	
East Holmes Water	4,887
<u>Nonmajor Governmental Funds</u>	
ODNR Grant	2,719
Transportation Coordination Services	6,647
Jail Kitchen	2,787

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. 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, 2005**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (continued)**

**D. Legal Compliance**

During 2005, contrary to Ohio Revised Code Section 5705.42, the County did not initially record on-behalf monies for federal grants received from the Ohio Department of Transportation in the Rails-to-Trails nonmajor capital projects fund in the amount of \$1,582,213 and the County did not initially record on-behalf monies received from the State of Ohio in the Help America Vote Act nonmajor special revenue fund in the amount of \$259,200. In addition, the County did not initially record Issue II monies for Sewer fund and Motor Vehicle License and Gas Tax fund projects in the amounts of \$267,254 and \$326,772, respectively.

During 2005, 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 – DEPOSITS 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 and 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;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**HOLMES COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies;
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 County Auditor 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.

**A. Undeposited Cash**

At year-end, the County had \$13,014 in undeposited cash which is included on the financial statements as part of "Equity in Pooled Cash and Cash Equivalents."

**B. Cash on Hand**

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

**C. Deposits with Financial Institutions**

At December 31, 2005, the carrying amount of all County deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$23,458,871. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2005, \$22,154,249 of the County's bank balance of \$23,999,042 was exposed to custodial risk as discussed below, while \$1,844,793 was covered by Federal Deposit Insurance Corporation.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the County's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

**D. 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	\$ 3,120,443
Certificates of deposit	3,159,531
Investments in common stock and mutual funds	356,829
Interest receivable	3,896
	6,640,699
Funds available for future construction - cash and cash equivalents	43,270
Total assets limited as to use	\$ 6,683,969
Assets limited as to use - long term portion	\$ 6,683,969
Total assets limited as to use	\$ 6,683,969

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

**E. Investments**

As of December 31, 2005, the County had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities Less than 1 year</u>
Commerical Savings Bank Common Stock	\$ 180,096	N/A
Killbuck Savings Bank Common Stock	164,333	N/A
Newell-Rubbermaid Common Stock	4,756	N/A
U.S. Treasury Bonds	7,644	7,644
	\$ 356,829	\$ 7,644

Common stock has no maturity period.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the County's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* Of the County's investments, the Commerical Savings Bank common stock and Killing Buck Savings Bank common stock are not public traded and have no credit risk report. The U.S. Treasury Bonds are exempt from rating. The Newell-Rubbermaid Common Stock are rated B by Standard and Poor's.

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
Commerical Savings Bank Common Stock	\$ 180,096	50.48%
Killbuck Savings Bank Common Stock	164,333	46.05%
Newell-Rubbermaid Common Stock	4,756	1.33%
U.S. Treasury Bonds	7,644	2.14%
	<u>\$ 356,829</u>	<u>100.00%</u>

**F. Reconciliation of Cash and Investment to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 23,458,871
Investments	356,829
Cash on hand	600
Total	<u>\$ 23,816,300</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 10,364,701
Business type activities	9,203,063
Component unit	135,575
Agency funds	4,112,961
Total	<u>\$ 23,816,300</u>

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund transfers for the year ended December 31, 2005, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:		
Nonmajor governmental funds	\$	874,870
Transfers from County Board for MR/DD Fund to:		
Nonmajor governmental funds		55,000
Transfers from nonmajor governmental funds to:		
Nonmajor governmental funds		33,400
Total	\$	963,270

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.

Transfers between governmental funds are eliminated for reporting on the statement of activities.

- B.** Due from/to other funds consisted of the following at December 31, 2005, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 30,376
Nonmajor governmental funds	County Board of MR/DD	7,723
Total		\$ 38,099

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.

Amounts due from/to other funds between governmental funds are eliminated for reporting on the statement of net assets.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 5 - INTERFUND TRANSACTIONS – (Continued)**

C. Loans to/from other funds consisted of the following at December 31, 2005:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 55,000
Sewer	Other enterprise funds	<u>8,000</u>
Total		<u>\$ 63,000</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 Sewer Fund has loaned the East Holmes Water Fund a total of \$8,000. This loan is 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 2005 taxes were collected was \$743,410,660. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2005, was \$12.55 per \$1,000 of assessed valuation.

The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Estate	\$ 615,501,660
Public Utility Property	27,239,330
Tangible personal	<u>100,669,670</u>
Total Property Taxes	<u>\$ 743,410,660</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.

## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### NOTE 6 - PROPERTY TAXES - (Continued)

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 2005 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 2006 are shown as 2005 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.

#### NOTE 7 - RECEIVABLES

Receivables at December 31, 2005, 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.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - RECEIVABLES - (Continued)**

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 three funds. The Debt Service fund receives \$35,000, the Capital Improvements fund receives \$6,000, and the remainder is allocated to the General fund. Sales tax revenue for 2005 amounted to \$4,389,719 as reported on the fund financial statements.

**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	\$ 95,000
Local Government	239,536
Revenue Assistance	96,242
Grants	<u>8,770</u>
Total	<u>439,548</u>
<u>County Board of MR/DD Fund</u>	
CAFS	113,106
Grants	112,285
Homestead and Rollback	<u>137,500</u>
Total	<u>362,891</u>
<u>Motor Vehicle License and Gas Tax Fund</u>	
Gasoline excise and motor vehicle license tax	<u>1,159,033</u>
Total	<u>1,159,033</u>
<u>County Home</u>	
Homestead and rollback	<u>44,800</u>
Total	<u>44,800</u>
<u>Nonmajor Governmental Funds</u>	
Child Support Enforcement	4,781
Sheriffs Overtime Block Grant	9,147
State Victims Assistance	26,264
Probate Court Fund	58,785
Youth Services	50,744
Community Housing Improvement	309,233
Children Services	56,630
Public Assistance	<u>36,400</u>
Total	<u>551,984</u>



**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - RECEIVABLES - (Continued)**

	<u>Amount</u>
<u>Agency Funds</u>	
County Public Library	\$ 99,764
Gasoline and License Tax	305,113
Park District	38,013
State Housing Trust	1,217
Undivided Municipal Permissive	1,761
Undivided Local Government Revenue	64,161
Undivided Local Government	159,691
Total	669,720
Grand Total	\$ 3,227,976

**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>Sewer District</u>	<u>Joel Pomerene Hospital</u>	<u>East Holmes Water</u>	<u>Charges for Services Total</u>
Gross Charges for Service Revenue	\$ 723,251	\$ 39,949,256	\$ 5,809	\$ 40,678,316
Revenue Deductions:				
Provision for Contractual Allowances	-	(13,644,592)	-	(13,644,592)
Provision for Prompt Payment Discounts	-	(940,932)	-	(940,932)
Net Charges for Services Revenue	\$ 723,251	\$ 25,363,732	\$ 5,809	\$ 26,092,792

**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	\$ 67,001	\$ -	\$ -	\$ 67,001
County Disposal	21,578	-	-	21,578
Joel Pomerene Hospital	6,243,172	(1,105,400)	(940,000)	4,197,772
East Holmes Water	1,426	-	-	1,426
Total Enterprise Funds	\$ 6,333,177	\$ (1,105,400)	\$ (940,000)	\$ 4,287,777

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - CAPITAL ASSETS**

A. Capital asset activity for the fiscal year ended December 31, 2005, was as follows:

	Balance			Balance
<b><u>Governmental Activities:</u></b>	<u>12/31/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,114,244	\$ 55,000	\$ -	\$ 1,169,244
Construction in progress	<u>1,290,035</u>	<u>1,628,188</u>	<u>(245,559)</u>	<u>2,672,664</u>
Total capital assets, not being depreciated	<u>2,404,279</u>	<u>1,683,188</u>	<u>(245,559)</u>	<u>3,841,908</u>
<i>Capital assets, being depreciated:</i>				
Buildings	17,765,129	458,724	-	18,223,853
Improvements other than buildings	55,784	-	-	55,784
Furniture, fixtures and equipment	2,729,072	761,757	(111,917)	3,378,912
Vehicles	2,957,491	571,852	(199,371)	3,329,972
Infrastructure	<u>17,314,162</u>	<u>904,623</u>	<u>-</u>	<u>18,218,785</u>
Total capital assets, being depreciated	<u>40,821,638</u>	<u>2,696,956</u>	<u>(311,288)</u>	<u>43,207,306</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(6,184,631)	(475,674)	-	(6,660,305)
Improvements other than buildings	(31,765)	(16,605)	-	(48,370)
Furniture, fixtures and equipment	(2,150,227)	(233,718)	111,917	(2,272,028)
Vehicles	(1,745,172)	(289,710)	162,139	(1,872,743)
Infrastructure	<u>(8,094,480)</u>	<u>(638,042)</u>	<u>-</u>	<u>(8,732,522)</u>
Total accumulated depreciation	<u>(18,206,275)</u>	<u>(1,653,749)</u>	<u>274,056</u>	<u>(19,585,968)</u>
Total capital assets, being depreciated net	<u>22,615,363</u>	<u>1,043,207</u>	<u>(37,232)</u>	<u>23,621,338</u>
Governmental activities capital assets, net	<u>\$ 25,019,642</u>	<u>\$ 2,726,395</u>	<u>\$ (282,791)</u>	<u>\$ 27,463,246</u>

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - CAPITAL ASSETS - (Continued)**

<b><u>Business-Type Activities:</u></b>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,289,509	\$ 8,870	\$ -	\$ 1,298,379
Construction in progress	82,951	-	-	82,951
Total capital assets, not being depreciated	<u>1,372,460</u>	<u>8,870</u>	<u>-</u>	<u>1,381,330</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvement	2,560,421	-	-	2,560,421
Equipment and machinery	766,393	18,396	-	784,789
Sewer/water lines	3,735,015	453,221	-	4,188,236
Building and fixed equipment	11,478,372	82,775	-	11,561,147
Moveable inventory	10,658,842	1,462,630	(1,926,859)	10,194,613
Sub-specialty medical clinic	214,198	-	-	214,198
Modular medical office building	560,323	-	-	560,323
OB/GYN clinic moveable equipment	-	34,000	-	34,000
OB/GYN clinic goodwill	-	169,583	-	169,583
Total capital assets, being depreciated	<u>29,973,564</u>	<u>2,220,605</u>	<u>(1,926,859)</u>	<u>30,267,310</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(797,540)	(63,706)	-	(861,246)
Equipment and machinery	(227,419)	(38,070)	-	(265,489)
Sewer/water lines	(1,280,056)	(97,875)	-	(1,377,931)
Building and fixed equipment	(7,543,004)	(664,985)	-	(8,207,989)
Moveable inventory	(6,447,433)	(586,383)	1,926,859	(5,106,957)
Sub-specialty medical clinic	(144,612)	(12,320)	-	(156,932)
Modular medical office building	(378,290)	(32,229)	-	(410,519)
OB/GYN clinic moveable equipment	-	(1,956)	-	(1,956)
OB/GYN clinic goodwill	-	(9,754)	-	(9,754)
Total accumulated depreciation	<u>(16,818,354)</u>	<u>(1,507,278)</u>	<u>1,926,859</u>	<u>(16,398,773)</u>
Total capital assets, being depreciated net	<u>13,155,210</u>	<u>713,327</u>	<u>-</u>	<u>13,868,537</u>
Business-type activities capital assets, net	<u>\$ 14,527,670</u>	<u>\$ 722,197</u>	<u>\$ -</u>	<u>\$ 15,249,867</u>

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - CAPITAL ASSETS - (Continued)**

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

**Governmental activities:**

Legislative and executive	\$ 466,697
Judicial	29,228
Public safety	85,446
Public works	763,505
Health	21,464
Human services	284,767
Conservation and recreation	<u>2,642</u>
 Total depreciation expense - governmental activities	 <u>\$ 1,653,749</u>

**Business-type activities:**

Sewer District	\$ 199,651
Joel Pomerene Hospital	<u>1,307,627</u>
 Total depreciation expense - business-type activities	 <u>\$ 1,507,278</u>

**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, 2005 amounted to \$209,684 leaving a book value of \$251,431. Such agreements provide for minimum, annual lease payments as follows:

<u>Year</u>	<u>Hospital</u>	<u>Sewer</u>	<u>Total</u>
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	 206,267	 30,810	 237,077
Less: amounts representing interest	<u>(10,568)</u>	<u>(1,994)</u>	<u>(12,562)</u>
Present value of minimum lease payments	<u>\$ 195,699</u>	<u>\$ 28,816</u>	<u>\$ 224,515</u>

**HOLMES COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**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 \$204,757 in 2005.

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 \$208,163 in 2005.

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 \$65,295 in 2005.

**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, 2005, the total liability for unpaid compensated absences was \$1,056,251 (both governmental and business-type activities).

**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.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - LONG-TERM OBLIGATIONS**

**A. Long-Term Obligations**

The following is a summary of the original issue date, interest rate, original issue amount and date of maturity for each of the County's bonds and loans follows:

	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>
<u>General Obligation Bonds:</u>			
1994 Jail	5.25%	\$ 2,700,000	12/1/2019
1995 Jobs and Family Services Various Purpose	3.9-5.8%	\$ 1,740,000	12/1/2019
1998 Capital Facilities	4.25%	\$ 2,400,000	12/1/2012
<u>Revenue Bonds:</u>			
1991 Hospital	5.875%	\$ 2,200,000	4/1/2005
1997 Sewer	5.00%	\$ 2,977,000	5/1/2037
<u>OPWC Loans:</u>			
Sanitary Sewer Plant	0.00%	\$ 58,226	7/1/2022
Mt. Hope	0.00%	\$ 78,018	1/1/2021
<u>Notes:</u>			
Rails-to-Trails	6.00%	\$ 179,586	12/1/2013

**B. Governmental Long-Term Obligations**

During the fiscal year 2005, the following changes occurred in the County's governmental long-term obligations:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>	<u>Amount Due in One Year</u>
<u>General obligation bonds:</u>							
Series 1994 Jail bond	2024	5.25%	\$ 2,205,000	\$ -	\$ (65,000)	\$ 2,140,000	\$ 68,000
Series 1995 Various purpose bond	2019	3.9-5.8%	1,350,000	-	(90,000)	1,260,000	60,000
Series 1998 Capital facilities bond	2012	4.25%	<u>1,470,000</u>	<u>-</u>	<u>(155,000)</u>	<u>1,315,000</u>	<u>165,000</u>
Total general obligation bonds			<u>\$ 5,025,000</u>	<u>\$ -</u>	<u>\$ (310,000)</u>	<u>\$ 4,715,000</u>	<u>\$ 293,000</u>
<u>Other long-term obligations:</u>							
Rails-to-Trails note payable	2013	6%	\$ 161,696	\$ -	\$ (9,112)	\$ 152,584	\$ 14,440
Compensated absences payable			<u>949,417</u>	<u>822,984</u>	<u>(733,872)</u>	<u>1,038,529</u>	<u>754,080</u>
Total other long-term obligations			<u>\$ 1,111,113</u>	<u>\$ 822,984</u>	<u>\$ (742,984)</u>	<u>\$ 1,191,113</u>	<u>\$ 768,520</u>
Total general long-term obligations			<u>\$ 6,136,113</u>	<u>\$ 822,984</u>	<u>\$ (1,052,984)</u>	<u>\$ 5,906,113</u>	<u>\$ 1,061,520</u>

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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
	Employee Expended

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)**

*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>
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	354,000	184,791	538,791
2011 - 2014	1,360,000	663,086	2,023,086
2015 - 2020	1,108,000	341,083	1,449,083
2021 - 2024	637,000	85,785	722,785
Total	\$ 4,715,000	\$ 2,175,531	\$ 6,890,531

<u>Year Ended</u>	<u>Rails-to-Trails Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	18,232	304	18,536
2011 - 2013	71,099	5,449	76,548
Total	\$ 152,584	\$ 33,816	\$ 186,400



**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)**

**C. Business-Type Long-term Obligations**

During fiscal year 2005, the following changes occurred in the County's business-type long-term obligations:

	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/05</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<u>Revenue bonds:</u>							
Series 1991 Hospital bonds	2017	5.875%	\$ 906,835	\$ -	\$ (906,835)	\$ -	\$ -
Series 1997 Sewer bonds	2037	5.0%	<u>2,602,500</u>	<u>-</u>	<u>(34,000)</u>	<u>2,568,500</u>	<u>37,000</u>
Total revenue bonds			<u>\$ 3,509,335</u>	<u>\$ -</u>	<u>\$ (940,835)</u>	<u>\$ 2,568,500</u>	<u>\$ 37,000</u>
<u>OPWC Loans:</u>							
Sanitary Sewer Plant	2022	0%	\$ 50,947	\$ -	\$ (2,911)	\$ 48,036	\$ 2,911
Mt. Hope	2021	0%	<u>62,416</u>	<u>-</u>	<u>(3,901)</u>	<u>58,515</u>	<u>3,901</u>
Total OPWC loans			<u>\$ 113,363</u>	<u>\$ -</u>	<u>\$ (6,812)</u>	<u>\$ 106,551</u>	<u>\$ 6,812</u>
<u>Other long-term obligations:</u>							
Capital leases-equipment			\$ 313,089	\$ -	\$ (88,574)	\$ 224,515	\$ 92,573
Landfill closure and postclosure care liability			2,213,404	635,024	-	2,848,428	-
Compensated absences			<u>14,437</u>	<u>17,722</u>	<u>(14,437)</u>	<u>17,722</u>	<u>17,722</u>
Total other long-term obligations			<u>\$ 2,540,930</u>	<u>\$ 652,746</u>	<u>\$ (103,011)</u>	<u>\$ 3,090,665</u>	<u>\$ 110,295</u>
Total business-type long-term obligations			<u>\$ 6,163,628</u>	<u>\$ 652,746</u>	<u>\$ (1,050,658)</u>	<u>\$ 5,765,716</u>	<u>\$ 154,107</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. The Hospital bonds were paid in full during 2005.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**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
2006	\$ 37,000	\$ 137,100	\$ 174,100	\$ 6,812	\$ -	\$ 6,812
2007	38,000	135,250	173,250	6,812	-	6,812
2008	40,000	133,350	173,350	6,813	-	6,813
2009	42,000	131,350	173,350	6,812	-	6,812
2010	45,000	129,250	174,250	6,813	-	6,813
2011 - 2015	256,000	610,650	866,650	34,062	-	34,062
2016 - 2020	328,000	539,750	867,750	34,060	-	34,060
2021 - 2025	418,000	449,200	867,200	4,367	-	4,367
2026 - 2030	534,000	333,650	867,650	-	-	-
2031 - 2035	682,000	186,150	868,150	-	-	-
2036 - 2037	148,500	24,350	172,850	-	-	-
<b>Total</b>	<b>\$ 2,568,500</b>	<b>\$ 2,810,050</b>	<b>\$ 5,378,550</b>	<b>\$ 106,551</b>	<b>\$ -</b>	<b>\$ 106,551</b>

- D.** 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 \$15,928,707 at December 31, 2005 and the unvoted legal debt margin was \$6,277,547 at December 31, 2005.

**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 2005, 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

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 15 - RISK MANAGEMENT - (Continued)**

Money and Securities (inside and outside)	1,000,000
Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Building and Contents	53,502,429
Other Property Insurance:	
Valuable Papers	1,000,000
Extra Expense	1,000,000
Electronic Date 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 2005, 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, 2005**

**NOTE 16 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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

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

For the year ended December 31, 2005 the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. The County's contribution rate for pension benefits for 2005 was 9.55%, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.7% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$1,261,411, \$1,184,063, and \$1,011,447, respectively; 87.98% has been contributed for 2005 and 100% has been contributed for 2004 and 2003. The unpaid contribution to fund pension obligations for 2005, in the amount of \$151,630, is recorded as a liability.

**B. State Teachers Retirement System**

Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

**HOLMES COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 16 - PENSION PLANS – (Continued)**

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

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

For the year ended December 31, 2005, plan members were required to contribute 10 percent of their annual covered salary and the County was required to contribute 14 percent; 9.09 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

The County's required contribution for pension obligations for the DBP for the years ended December 31, 2005, 2004, and 2003 was \$104,766, \$107,188, and \$100,732, respectively; 100% has been contributed for fiscal years 2005, 2004 and 2003. There were no contributions for the DCP and CP for the fiscal year ended December 31, 2005.

**NOTE 17 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### NOTE 17 - POSTEMPLOYMENT BENEFITS – (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 4.00% annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$528,340. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

#### **B. State Teachers Retirement System**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended December 31, 2005, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the County, this amount was \$8,059.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$3.3 billion at June 30, 2004. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254,780 million, and STRS had 115,395 eligible benefit recipients.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**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);
- (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>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>	<u>County Home</u>
Budget basis	\$ 174,042	\$ 392,467	\$ (29,548)	\$ (21,780)
Net adjustment for revenue accruals	179,041	(97,777)	372,411	1,088
Net adjustment for expenditure accruals	(290,102)	(67,403)	232,580	12,508
Encumbrances (budget basis)	<u>48,102</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 111,083</u>	<u>\$ 227,287</u>	<u>\$ 575,443</u>	<u>\$ (8,184)</u>

**HOLMES COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**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, 2005.

**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, 2005.

**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 \$2,848,428 reported as landfill closure and postclosure care liability at December 31, 2005, represents the cumulative amount reported to date based on the use of 55.1 percent of the estimated capacity of the landfill. Based on current usage, the remaining useful life is estimated to be 66 years. At December 31, 2005, the total estimated cost to perform closure and postclosure care of the landfill was \$5,171,532. This amount represents an estimate of what it would cost to perform all closure and postclosure care at December 31, 2005. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,323,104 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 \$1,157,500 in 2005.

**NOTE 22 - ADVERTISING**

The Hospital expenses advertising costs as they are incurred. Advertising expense was \$122,093 for 2005. Advertising expenses are included in the enterprise funds' operating expenses in these financial statements.



## HOLMES COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### **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 2005, 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 \$162,702 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 \$38,475 at December 31, 2005.

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 \$31,527, netting to unrestricted net assets of \$104,153 for the year ended December 31, 2005.

#### **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. 40 may be found in Note 4.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 25 - HOLMES COUNTY REGIONAL PLANNING COMMISSION – (Continued)

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, 2005, vacation and severance liability were \$12,809 and \$4,334, 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.

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, 2005 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, 2005 was \$906.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

**B. Non-Cash Transactions**

The Organization received in-kind services and facilities for the year ended December 31, 2005 from the Holmes County Board of MR/DD. The value of the in-kind contribution was determined to be \$162,702 and is recorded in other income and operating expenses as an equivalent amount.

**C. Deposits and Investments**

The carrying amount and bank balance of Organizations deposits at year end was \$32,111. The entire bank balance was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

**D. Related Parties**

Total revenues from contracts to provide services to the Holmes County Board of MR/DD were \$26,223 or the year ended December 31, 2005 The Organization had \$2,208 in accounts receivable from the Holmes County Board of MR/DD at December 31, 2005.

**E. Operating Leases**

The company entered into a non-cancelable operating lease agreement for a forklift during 2001. 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, 2005.

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, 2005.

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, 2005:

2006	<u>\$ 403</u>
Total	<u>\$ 403</u>

**F. Long-Term Liabilities**

Long-term liabilities at December 31, 2005 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.	<u>\$ 193,691</u>
	193,691
Less: current portion	<u>(10,156)</u>
Total	<u>\$ 183,535</u>

**HOLMES COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

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

2006	\$ 10,156
2007	10,782
2008	11,448
2009	12,154
2010	12,903
Thereafter	<u>136,248</u>
Total	<u>\$ 193,691</u>

**G. Notes Payable**

Notes payable at December 31, 2005 consists of the following:

Note payable - non-profit entity. The note is due on demand, does not accrue interest and is not collateralized.	<u>\$ 14,500</u>
--	------------------

**H. Capital Assets**

A summary of capital assets at December 31, 2005 follows:

Equipment	\$ 70,084
Vehicles	<u>9,842</u>
Subtotal	79,926
Less: accumulated depreciation	<u>(47,981)</u>
Net capital assets	<u>\$ 31,945</u>

**I. Deficit Net Assets**

The Organization had a deficit net asset balance of \$129,175 at December 31, 2005. 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.

**HOLMES COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 27 - HOLMES COUNTY AIRPORT AUTHORITY - (Continued)**

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

A summary of capital assets at December 31, 2005, follows:

Land	\$ 54,357
Buildings and improvements	574,300
Equipment	<u>127,158</u>
Subtotal	755,815
Less: accumulated depreciation	<u>(279,100)</u>
Net capital assets	<u>\$ 476,715</u>

**B. Deposits with Financial Institutions**

Monies held by the Airport Authority are held in separate accounts. The Airport Authority invests in a NOW account and certificates of deposit.

At December 31, 2005, the carrying amount and bank balance of the Airport Authority's deposits was \$227,868. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2005, \$29,630 of the Airport Authority's bank balance of \$227,868 was exposed to custodial risk as discussed below, while \$198,238 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the Airport Authority's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Airport Authority.

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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 fo 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.

***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.

***Delinquent Real Estate Prosecutor***

To account for the portion of collections of delinquent property taxes and assessments for use by the county prosecutor.

***ODNR Grant***

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



**HOLMES COUNTY, OHIO**

INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds - (Continued)**

***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.

***Victim Advocacy/Office of Criminal Justice***

To account for grants received through the Attorney General's office that are to be expended to provide information to victim's of domestic violence.

***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.

***Sheriff's Overtime Block Grant***

To account for grants that are expended to provide overtime compensation to and equipment purchases for the Sheriff's department.

***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.

***Scenic Byways***

Grant for beautifying highways.

**HOLMES COUNTY, OHIO**

INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds - (Continued)**

***Community Development***

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

***Habitat for Humanity***

To account for revenue from the Ohio Housing Trust fund for local Habitat for Humanity projects.

***Community Development/1999 Grant***

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

***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.

***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***

To account for monies used for disaster recovery and mitigation programs and activities.

***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.

***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.

**HOLMES COUNTY, OHIO**

INDIVIDUAL FUND SCHEDULES  
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

**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.

**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.

**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.

***Issue II***

To account for Issue II monies received to finance various projects.

***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 holding to trail use for the general public.

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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget</b> <b>Positive</b> <b>(Negative)</b>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,067,500	\$ 2,117,500	\$ 2,180,213	\$ 62,713
Sales taxes . . . . .	3,500,000	3,772,000	3,941,696	169,696
Charges for services. . . . .	1,158,500	1,171,730	1,509,255	337,525
Licenses and permits . . . . .	101,175	101,175	86,353	(14,822)
Fines and forfeitures . . . . .	97,000	97,000	94,302	(2,698)
Intergovernmental . . . . .	867,650	891,240	982,272	91,032
Investment income . . . . .	250,000	280,000	322,127	42,127
Rental Income . . . . .	8,200	12,750	13,993	1,243
Other . . . . .	438,300	709,975	837,013	127,038
Total revenues . . . . .	<u>8,488,325</u>	<u>9,153,370</u>	<u>9,967,224</u>	<u>813,854</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Legislative and executive</b>				
Commissioners				
Personal services. . . . .	216,053	213,192	208,946	4,246
Materials and supplies . . . . .	3,500	3,500	2,263	1,237
Contractual services . . . . .	607,947	744,395	729,324	15,071
Other. . . . .	23,000	19,019	19,003	16
Total commissioners . . . . .	<u>850,500</u>	<u>980,106</u>	<u>959,536</u>	<u>20,570</u>
Auditor - General:				
Personal services. . . . .	320,944	325,022	320,463	4,559
Materials and supplies . . . . .	32,000	30,511	22,918	7,593
Contractual services . . . . .	40,000	40,663	37,733	2,930
Capital outlay . . . . .	3,000	3,639	3,639	-
Other. . . . .	7,500	7,437	7,312	125
Total auditor . . . . .	<u>403,444</u>	<u>407,272</u>	<u>392,065</u>	<u>15,207</u>
Auditor - Personal Property:				
Materials and supplies . . . . .	2,800	2,800	1,516	1,284
Total auditor-personal property . . . . .	<u>2,800</u>	<u>2,800</u>	<u>1,516</u>	<u>1,284</u>
Treasurer				
Contractual services . . . . .	11,500	11,500	10,793	707
Other. . . . .	1,700	1,700	1,678	22
Total treasurer . . . . .	<u>13,200</u>	<u>13,200</u>	<u>12,471</u>	<u>729</u>
Prosecutor				
Personal services. . . . .	281,705	290,150	289,712	438
Materials and supplies . . . . .	10,000	10,035	9,452	583
Personal services. . . . .	100,801	112,417	112,071	346
Materials and supplies . . . . .	15,000	15,000	14,905	95
Contractual services . . . . .	40,698	28,198	27,034	1,164
Total prosecutor . . . . .	<u>448,204</u>	<u>455,800</u>	<u>453,174</u>	<u>2,626</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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
County Office Examinations:				
Contractual services . . . . .	\$ 96,000	\$ 96,000	\$ 94,642	\$ 1,358
Total county office examinations . . . . .	96,000	96,000	94,642	1,358
Budget Commission:				
Materials and supplies . . . . .	150	150	41	109
Total budget commission . . . . .	150	150	41	109
Board of Revisions:				
Materials and supplies . . . . .	1,000	1,000	951	49
Total board of revisions . . . . .	1,000	1,000	951	49
Recorder:				
Personal services . . . . .	107,005	110,101	105,516	4,585
Materials and supplies . . . . .	6,000	3,000	2,971	29
Other . . . . .	1,700	1,604	1,604	-
Total recorder . . . . .	114,705	114,705	110,091	4,614
Board of Elections:				
Personal Services . . . . .	87,367	82,097	82,097	-
Materials and supplies . . . . .	16,000	22,427	22,427	-
Other . . . . .	4,200	3,959	3,959	-
Total board of elections . . . . .	107,567	108,483	108,483	-
Maintenance and Operations				
Personal services . . . . .	123,460	126,460	125,058	1,402
Materials and supplies . . . . .	44,500	51,681	44,130	7,551
Contractual services . . . . .	360,000	402,370	388,214	14,156
Capital outlay . . . . .	160,688	258,174	246,440	11,734
Total maintenance and operations . . . . .	688,648	838,685	803,842	34,843
Tax Map				
Personal services . . . . .	88,817	84,317	79,587	4,730
Materials and supplies . . . . .	4,000	5,000	3,613	1,387
Contractual services . . . . .	5,000	4,000	2,304	1,696
Capital Outlay . . . . .	500	5,000	4,780	220
Other . . . . .	700	700	600	100
Total tax map . . . . .	99,017	99,017	90,884	8,133
Insurance and Pensions				
Personal services . . . . .	804,500	758,209	724,887	33,322
Contractual services . . . . .	848,500	862,570	838,381	24,189
Other . . . . .	11,000	16,415	13,161	3,254
Total insurance and pensions . . . . .	1,664,000	1,637,194	1,576,429	60,765
<b>Total general government - legislative and executive . . . . .</b>	<b>4,489,235</b>	<b>4,754,412</b>	<b>4,604,125</b>	<b>150,287</b>

- - 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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Judicial</b>				
Common Pleas Court				
Personal services . . . . .	\$ 181,361	\$ 186,597	\$ 181,261	\$ 5,336
Materials and supplies . . . . .	19,400	16,400	11,801	4,599
Capital outlay . . . . .	4,000	4,000	3,631	369
Other . . . . .	2,000	2,000	1,885	115
Total common pleas court . . . . .	<u>206,761</u>	<u>208,997</u>	<u>198,578</u>	<u>10,419</u>
Adult Probation				
Personal services . . . . .	130,267	133,035	130,468	2,567
Materials and supplies . . . . .	7,570	6,670	6,325	345
Capital outlay . . . . .	2,160	2,160	2,116	44
Total adult probation . . . . .	<u>139,997</u>	<u>141,865</u>	<u>138,909</u>	<u>2,956</u>
Law Library				
Personal services . . . . .	3,000	3,000	3,000	-
Total law library . . . . .	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Juvenile Court				
Personal services . . . . .	133,594	134,840	134,363	477
Materials and supplies . . . . .	4,500	4,500	4,206	294
Contractual services . . . . .	101,900	134,862	133,428	1,434
Other . . . . .	3,500	9,465	6,442	3,023
Total juvenile court . . . . .	<u>243,494</u>	<u>283,667</u>	<u>278,439</u>	<u>5,228</u>
Probate Court				
Personal services . . . . .	83,374	83,374	77,275	6,099
Materials and supplies . . . . .	10,500	11,500	11,391	109
Other . . . . .	750	750	660	90
Total probate court . . . . .	<u>94,624</u>	<u>95,624</u>	<u>89,326</u>	<u>6,298</u>
Clerk of Courts				
Personal services . . . . .	181,598	192,845	189,842	3,003
Materials and supplies . . . . .	25,325	25,325	25,122	203
Contractual services . . . . .	3,330	3,330	3,200	130
Total clerk of courts . . . . .	<u>210,253</u>	<u>221,500</u>	<u>218,164</u>	<u>3,336</u>
County Court				
Personal services . . . . .	172,362	172,567	164,158	8,409
Materials and supplies . . . . .	19,000	19,500	18,681	819
Contractual services . . . . .	2,500	2,295	2,295	-
Other . . . . .	500	500	500	-
Total county court . . . . .	<u>194,362</u>	<u>194,862</u>	<u>185,634</u>	<u>9,228</u>
Juvenile Probation				
Personal services . . . . .	3,805	3,805	3,750	55
Materials and supplies . . . . .	3,000	3,000	2,763	237
Other . . . . .	400	400	240	160
Total juvenile probation . . . . .	<u>7,205</u>	<u>7,205</u>	<u>6,753</u>	<u>452</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Common Pleas Jury Commission				
Personal services . . . . .	\$ 1,752	\$ 1,752	\$ 1,752	\$ -
Materials and supplies . . . . .	300	300	240	60
Total common pleas jury commission . . . . .	2,052	2,052	1,992	60
Court of Appeals				
Other . . . . .	7,000	5,000	4,849	151
Total court of appeals . . . . .	7,000	5,000	4,849	151
<b>Total general government - judicial . . . . .</b>	<b>1,108,748</b>	<b>1,163,772</b>	<b>1,125,644</b>	<b>38,128</b>
<b>Total general government . . . . .</b>	<b>5,597,983</b>	<b>5,918,184</b>	<b>5,729,769</b>	<b>188,415</b>
<b>Public Safety</b>				
Jail				
Personal services . . . . .	720,740	754,355	754,355	-
Materials and supplies . . . . .	5,700	8,479	8,479	-
Contractual services . . . . .	196,000	222,082	222,082	-
Capital outlay . . . . .	14,500	5,242	5,242	-
Other . . . . .	2,000	1,154	1,154	-
Total jail . . . . .	938,940	991,312	991,312	-
Coroner				
Personal services . . . . .	36,606	36,606	32,900	3,706
Materials and supplies . . . . .	50	50	-	50
Other . . . . .	8,200	8,200	6,590	1,610
Total coroner . . . . .	44,856	44,856	39,490	5,366
Sheriff				
Personal services . . . . .	1,013,289	1,039,150	1,039,150	-
Materials and supplies . . . . .	84,000	122,443	122,284	159
Contractual services . . . . .	45,645	49,213	49,213	-
Capital outlay . . . . .	40,000	63,647	63,647	-
Other . . . . .	6,000	5,970	5,970	-
Total sheriff . . . . .	1,188,934	1,280,423	1,280,264	159
Sheriff Policing Rotary				
Personal services . . . . .	60,000	33,500	-	33,500
Other . . . . .	-	75,444	75,444	-
Total sheriff policing rotary . . . . .	60,000	108,944	75,444	33,500
<b>Total public safety . . . . .</b>	<b>2,232,730</b>	<b>2,425,535</b>	<b>2,386,510</b>	<b>39,025</b>
<b>Public Works</b>				
Highways				
Personal services . . . . .	860	246	246	-
Capital outlay . . . . .	1,330	1,067	1,067	-
Other . . . . .	5,000	5,877	5,844	33
Total highways . . . . .	7,190	7,190	7,157	33
Airport				
Grant in Aid . . . . .	18,500	18,500	18,500	-
Other . . . . .	30,540	30,540	29,289	1,251
Total airport . . . . .	49,040	49,040	47,789	1,251
<b>Total Public Works . . . . .</b>	<b>56,230</b>	<b>56,230</b>	<b>54,946</b>	<b>1,284</b>

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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Health</b>				
TB Clinic and Care				
Contractual services . . . . .	\$ 100	\$ 1,000	\$ 1,000	\$ -
Total tb clinic and care . . . . .	100	1,000	1,000	-
Registration Vital Statistics				
Contractual services . . . . .	900	900	843	57
Total registration vital statistics . . . . .	900	900	843	57
Other Health Department				
Contractual services . . . . .	63,000	64,066	64,066	-
Total other health department . . . . .	63,000	64,066	64,066	-
<b>Total health . . . . .</b>	<b>64,000</b>	<b>65,966</b>	<b>65,909</b>	<b>57</b>
<b>Human Services</b>				
Veteran's Services				
Personal services . . . . .	158,710	168,710	152,487	16,223
Materials and supplies . . . . .	27,000	27,000	8,927	18,073
Contractual services . . . . .	136,790	126,790	45,704	81,086
Capital outlay . . . . .	13,000	13,000	8,763	4,237
Other. . . . .	3,000	3,000	1,654	1,346
Total veteran's services . . . . .	338,500	338,500	217,535	120,965
<b>Total human services . . . . .</b>	<b>338,500</b>	<b>338,500</b>	<b>217,535</b>	<b>120,965</b>
<b>Conservation and recreation</b>				
Agriculture Department				
Grant . . . . .	234,000	234,000	234,000	-
Other. . . . .	2,000	2,500	2,413	87
Total agriculture department . . . . .	236,000	236,500	236,413	87
<b>Total conservation and recreation . . . . .</b>	<b>236,000</b>	<b>236,500</b>	<b>236,413</b>	<b>87</b>
<b>Other</b>				
Other				
Other. . . . .	-	100	30	70
Total other . . . . .	-	100	30	70
<b>Total other . . . . .</b>	<b>-</b>	<b>100</b>	<b>30</b>	<b>70</b>
<b>Intergovernmental. . . . .</b>	<b>227,200</b>	<b>227,200</b>	<b>227,200</b>	<b>-</b>
Total expenditures. . . . .	8,752,643	9,268,215	8,918,312	349,903
Excess of Revenues Over (Under) Expenditures . . . . .	(264,318)	(114,845)	1,048,912	1,163,757

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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, 2005

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other Financing Uses:</b>				
Transfers out . . . . .	(765,334)	(858,327)	(874,870)	(16,543)
Total other financing uses . . . . .	<u>(765,334)</u>	<u>(858,327)</u>	<u>(874,870)</u>	<u>(16,543)</u>
Net change in fund balance . . . . .	(1,029,652)	(973,172)	174,042	1,147,214
<b>Fund balance at beginning of year . . . . .</b>	1,109,349	1,109,349	1,109,349	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>19,096</u>	<u>19,096</u>	<u>19,096</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 98,793</u>	<u>\$ 155,273</u>	<u>\$ 1,302,487</u>	<u>\$ 1,147,214</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 4,228,284	\$ 123,440	\$ 511,042	\$ 4,862,766
Cash with fiscal agent . . . . .	-	-	1,600	1,600
Receivables (net of allowance for uncollectibles):				
Sales taxes. . . . .	-	70,000	12,000	82,000
Accounts . . . . .	49,118	-	3,233	52,351
Due from other funds. . . . .	7,723	-	-	7,723
Due from other governments. . . . .	551,984	-	-	551,984
Prepayments . . . . .	5,278	-	-	5,278
Materials and supplies inventory . . . . .	15,261	-	-	15,261
Total assets . . . . .	<u>\$ 4,857,648</u>	<u>\$ 193,440</u>	<u>\$ 527,875</u>	<u>\$ 5,578,963</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 346,723	\$ -	\$ 2,848	\$ 349,571
Accrued wages and benefits. . . . .	74,777	-	1,809	76,586
Loans from other funds . . . . .	55,000	-	-	55,000
Due to other funds. . . . .	30,376	-	-	30,376
Due to other governments. . . . .	129,267	-	1,612	130,879
Deferred revenue . . . . .	505,543	35,000	6,000	546,543
Total liabilities . . . . .	<u>1,141,686</u>	<u>35,000</u>	<u>12,269</u>	<u>1,188,955</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	20,262	-	718	20,980
Reserved for prepayments . . . . .	5,278	-	-	5,278
Reserved for materials and supplies inventory. . . . .	15,261	-	-	15,261
Reserved for debt service . . . . .	-	158,440	-	158,440
Unreserved:				
Designated for compensated absences . . . . .	250,000	-	-	250,000
Undesignated, reported in:				
Special revenue funds. . . . .	3,425,161	-	-	3,425,161
Capital projects funds. . . . .	-	-	514,888	514,888
Total fund balances. . . . .	<u>3,715,962</u>	<u>158,440</u>	<u>515,606</u>	<u>4,390,008</u>
Total liabilities and fund balances . . . . .	<u>\$ 4,857,648</u>	<u>\$ 193,440</u>	<u>\$ 527,875</u>	<u>\$ 5,578,963</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Sales taxes . . . . .	\$ 325	\$ 420,000	\$ 72,000	\$ 492,325
Charges for services . . . . .	1,729,523	-	30,203	1,759,726
Licenses and permits . . . . .	342,210	-	-	342,210
Fines and forfeitures . . . . .	56,381	-	25,419	81,800
Intergovernmental . . . . .	4,966,307	-	2,196,239	7,162,546
Investment income . . . . .	27,893	-	39,554	67,447
Rental income . . . . .	-	137,318	-	137,318
Contributions and donations . . . . .	-	-	105,424	105,424
Other . . . . .	449,507	-	351,602	801,109
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	7,572,146	557,318	2,820,441	10,949,905
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	1,441,778	-	-	1,441,778
Judicial . . . . .	140,090	-	-	140,090
Public safety. . . . .	1,017,608	-	-	1,017,608
Public works. . . . .	1,102,721	-	-	1,102,721
Health . . . . .	132,131	-	-	132,131
Human services . . . . .	5,449,148	-	-	5,449,148
Conservation and recreation. . . . .	46,394	-	-	46,394
Capital outlay . . . . .	-	-	2,816,753	2,816,753
Debt service:				
Principal retirement . . . . .	-	310,000	9,112	319,112
Interest and fiscal charges . . . . .	-	270,470	10,249	280,719
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	9,329,870	580,470	2,836,114	12,746,454
Excess (deficiency) of revenues over (under) expenditures. . . . .	<hr/> (1,757,724)	<hr/> (23,152)	<hr/> (15,673)	<hr/> (1,796,549)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	861,674	34,470	67,126	963,270
Transfers out . . . . .	(33,400)	-	-	(33,400)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses) . . . . .	828,274	34,470	67,126	929,870
Net change in fund balances. . . . .	(929,450)	11,318	51,453	(866,679)
<b>Fund balances at beginning of year (restated) . .</b>	<hr/> 4,645,412	<hr/> 147,122	<hr/> 464,153	<hr/> 5,256,687
<b>Fund balances at end of year . . . . .</b>	<hr/> <u>\$ 3,715,962</u>	<hr/> <u>\$ 158,440</u>	<hr/> <u>\$ 515,606</u>	<hr/> <u>\$ 4,390,008</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2005

	Dog and Kennel	Public Assistance	Child Support Enforcement	Work Enforcement Act
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 52,638	\$ 950,135	\$ 351,387	\$ 53,954
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	-	1,546	-	-
Loans to other funds . . . . .	-	-	-	-
Due from other funds . . . . .	-	7,723	-	-
Due from other governments . . . . .	-	36,400	4,781	-
Prepayments . . . . .	410	1,775	-	-
Materials and supplies inventory . . . . .	1,028	5,596	-	-
Total assets. . . . .	<u>\$ 54,076</u>	<u>\$ 1,003,175</u>	<u>\$ 356,168</u>	<u>\$ 53,954</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 94,772	\$ 778	\$ 5,003
Accrued wages and benefits . . . . .	2,122	33,600	5,508	-
Loans from other funds . . . . .	-	-	-	-
Due to other funds . . . . .	-	10,421	17,475	-
Due to other governments . . . . .	2,055	87,534	5,262	-
Deferred revenue. . . . .	-	-	-	-
Total liabilities. . . . .	<u>4,177</u>	<u>226,327</u>	<u>29,023</u>	<u>5,003</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	-	-	-
Reserved for prepayments . . . . .	410	1,775	-	-
Reserved for materials and supplies inventory . . . . .	1,028	5,596	-	-
Reserved for loans . . . . .	-	-	-	-
Unreserved:				
Designated for compensated absences . . . . .	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds . . . . .	48,461	769,477	327,145	48,951
Total fund balances. . . . .	<u>49,899</u>	<u>776,848</u>	<u>327,145</u>	<u>48,951</u>
Total liabilities and fund balances . . . . .	<u>\$ 54,076</u>	<u>\$ 1,003,175</u>	<u>\$ 356,168</u>	<u>\$ 53,954</u>

<b>Real Estate Assessment</b>	<b>Delinquent Real Estate Collection</b>	<b>Delinquent Real Estate Prosecutor</b>	<b>ODNR Grant</b>	<b>Victims Assistance</b>	<b>Victim Advocacy/ Office of Criminal Justice</b>
\$ 155,060	\$ 11,395	\$ 21,602	\$ 1	\$ 5,776	\$ 2,441
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	26,264	-
-	-	-	-	-	-
-	-	-	-	151	-
<u>\$ 155,060</u>	<u>\$ 11,395</u>	<u>\$ 21,602</u>	<u>\$ 1</u>	<u>\$ 32,191</u>	<u>\$ 2,441</u>
\$ 4,326	\$ -	\$ -	\$ -	\$ -	\$ -
3,625	-	-	1,050	1,512	1,145
-	-	-	-	-	-
-	-	-	-	-	-
3,222	-	418	1,670	1,354	1,082
-	-	-	-	26,264	-
<u>11,173</u>	<u>-</u>	<u>418</u>	<u>2,720</u>	<u>29,130</u>	<u>2,227</u>
4,840	-	-	-	1,906	-
-	-	-	-	-	-
-	-	-	-	151	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>139,047</u>	<u>11,395</u>	<u>21,184</u>	<u>(2,719)</u>	<u>1,004</u>	<u>214</u>
<u>143,887</u>	<u>11,395</u>	<u>21,184</u>	<u>(2,719)</u>	<u>3,061</u>	<u>214</u>
<u>\$ 155,060</u>	<u>\$ 11,395</u>	<u>\$ 21,602</u>	<u>\$ 1</u>	<u>\$ 32,191</u>	<u>\$ 2,441</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2005

	<b>Indigent Guardianship</b>	<b>General Special Projects Common Pleas</b>	<b>Sheriff Concealed Handgun License</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 1,671	\$ 15,344	\$ 939
Receivables (net of allowance for uncollectibles):			
Accounts . . . . .	-	-	-
Loans to other funds . . . . .	-	-	-
Due from other funds . . . . .	-	-	-
Due from other governments . . . . .	-	-	-
Prepayments . . . . .	-	-	-
Materials and supplies inventory . . . . .	-	-	-
Total assets. . . . .	<u>\$ 1,671</u>	<u>\$ 15,344</u>	<u>\$ 939</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ -	\$ 5,494	\$ -
Accrued wages and benefits . . . . .	-	-	-
Loans from other funds . . . . .	-	-	-
Due to other funds . . . . .	-	-	-
Due to other governments . . . . .	-	-	-
Deferred revenue. . . . .	-	-	-
	<u>-</u>	<u>5,494</u>	<u>-</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	-	-	-
Reserved for prepayments . . . . .	-	-	-
Reserved for materials and supplies inventory . . . . .	-	-	-
Reserved for loans . . . . .	-	-	-
Unreserved:			
Designated for compensated absences . . . . .	-	-	-
Undesignated (deficit), reported in:			
Special revenue funds . . . . .	<u>1,671</u>	<u>9,850</u>	<u>939</u>
Total fund balances. . . . .	<u>1,671</u>	<u>9,850</u>	<u>939</u>
	<u>\$ 1,671</u>	<u>\$ 15,344</u>	<u>\$ 939</u>

<b>Education and Enforcement</b>	<b>Help America Vote Act</b>	<b>911</b>	<b>Special Projects</b>	<b>Employee Expended</b>	<b>Transportation Coordination</b>
\$ 5,192	\$ 1,830	\$ 839,592	\$ 63,142	\$ 250,000	\$ 94,980
135	-	-	1,503	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	170	-	-	2,021
-	-	-	-	-	4,317
<u>\$ 5,327</u>	<u>\$ 1,830</u>	<u>\$ 839,762</u>	<u>\$ 64,645</u>	<u>\$ 250,000</u>	<u>\$ 101,318</u>
\$ -	\$ -	\$ 171,065	\$ -	\$ -	\$ 25,445
-	-	-	-	-	13,995
-	-	-	-	-	55,000
-	-	-	-	-	-
-	-	-	-	-	13,525
-	-	-	-	-	-
-	-	171,065	-	-	107,965
-	-	-	-	-	363
-	-	170	-	-	2,021
-	-	-	-	-	4,317
-	-	-	-	-	-
-	-	-	-	250,000	-
<u>5,327</u>	<u>1,830</u>	<u>668,527</u>	<u>64,645</u>	<u>-</u>	<u>(13,348)</u>
<u>5,327</u>	<u>1,830</u>	<u>668,697</u>	<u>64,645</u>	<u>250,000</u>	<u>(6,647)</u>
<u>\$ 5,327</u>	<u>\$ 1,830</u>	<u>\$ 839,762</u>	<u>\$ 64,645</u>	<u>\$ 250,000</u>	<u>\$ 101,318</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2005

	Certificate Title Administration	Sheriff's Overtime Block Grant	Courthouse Security Grant	Federal Equitable Sharing
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 4,738	\$ 29,139	\$ 2,997	\$ 59,832
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	19,552	-	-	-
Loans to other funds . . . . .	-	-	-	-
Due from other funds. . . . .	-	-	-	-
Due from other governments. . . . .	-	9,147	-	-
Prepayments . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 24,290</u>	<u>\$ 38,286</u>	<u>\$ 2,997</u>	<u>\$ 59,832</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits . . . . .	-	-	-	-
Loans from other funds . . . . .	-	-	-	-
Due to other funds. . . . .	-	-	-	-
Due to other governments . . . . .	-	-	-	-
Deferred revenue. . . . .	15,061	9,147	-	-
Total liabilities . . . . .	<u>15,061</u>	<u>9,147</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	-	-	-	4,377
Reserved for prepayments . . . . .	-	-	-	-
Reserved for materials and supplies inventory. . . . .	-	-	-	-
Reserved for loans. . . . .	-	-	-	-
Unreserved:				
Designated for compensated absences . . . . .	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds. . . . .	9,229	29,139	2,997	55,455
Total fund balances. . . . .	<u>9,229</u>	<u>29,139</u>	<u>2,997</u>	<u>59,832</u>
Total liabilities and fund balances . . . . .	<u>\$ 24,290</u>	<u>\$ 38,286</u>	<u>\$ 2,997</u>	<u>\$ 59,832</u>



<u>Scenic Byways</u>	<u>Community Development</u>	<u>Domestic Violence</u>	<u>Jail Kitchen</u>	<u>Indigent Drivers Alcohol</u>	<u>Tax Map</u>
\$ 9,250	\$ 3,338	\$ 3,573	\$ 1,071	\$ 77,283	\$ 29,250
-	-	-	-	246	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,925	-	-
<u>\$ 9,250</u>	<u>\$ 3,338</u>	<u>\$ 3,573</u>	<u>\$ 4,996</u>	<u>\$ 77,529</u>	<u>\$ 29,250</u>
\$ -	\$ -	\$ -	\$ 1,828	\$ -	\$ -
-	-	-	2,759	-	1,757
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,196	-	1,708
-	-	-	-	-	-
-	-	-	7,783	-	3,465
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,925	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,250</u>	<u>3,338</u>	<u>3,573</u>	<u>(6,712)</u>	<u>77,529</u>	<u>25,785</u>
<u>9,250</u>	<u>3,338</u>	<u>3,573</u>	<u>(2,787)</u>	<u>77,529</u>	<u>25,785</u>
<u>\$ 9,250</u>	<u>\$ 3,338</u>	<u>\$ 3,573</u>	<u>\$ 4,996</u>	<u>\$ 77,529</u>	<u>\$ 29,250</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 DECEMBER 31, 2005

	<b>Probate Court Conduct of Business</b>	<b>Disaster Services</b>	<b>Community Housing Improvement</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 63,025	\$ 63,504	\$ 37,470
Receivables (net of allowance for uncollectibles):			
Accounts . . . . .	-	-	-
Loans to other funds . . . . .	-	-	-
Due from other funds . . . . .	-	-	-
Due from other governments . . . . .	58,785	-	309,233
Prepayments . . . . .	-	132	-
Materials and supplies inventory . . . . .	-	60	-
Total assets. . . . .	<u>\$ 121,810</u>	<u>\$ 63,696</u>	<u>\$ 346,703</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ -	\$ -	\$ 1,175
Accrued wages and benefits . . . . .	-	-	-
Loans from other funds . . . . .	-	-	-
Due to other funds . . . . .	-	1,197	-
Due to other governments . . . . .	908	552	-
Deferred revenue. . . . .	58,785	-	305,233
Total liabilities. . . . .	<u>59,693</u>	<u>1,749</u>	<u>306,408</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	-	-	-
Reserved for prepayments . . . . .	-	132	-
Reserved for materials and supplies inventory . . . . .	-	60	-
Reserved for loans . . . . .	-	-	-
Unreserved:			
Designated for compensated absences . . . . .	-	-	-
Undesignated (deficit), reported in:			
Special revenue funds . . . . .	62,117	61,755	40,295
Total fund balances. . . . .	<u>62,117</u>	<u>61,947</u>	<u>40,295</u>
Total liabilities and fund balances . . . . .	<u>\$ 121,810</u>	<u>\$ 63,696</u>	<u>\$ 346,703</u>

<b>Youth Services Subsidy Grant</b>	<b>Recycling and Litter</b>	<b>Children Services</b>	<b>Community Corrections</b>	<b>Totals</b>
\$ 170,275	\$ 101,516	\$ 614,071	\$ 80,873	\$ 4,228,284
-	26,136	-	-	49,118
-	-	-	-	-
-	-	-	-	7,723
50,744	-	56,630	-	551,984
-	770	-	-	5,278
-	184	-	-	15,261
<u>\$ 221,019</u>	<u>\$ 128,606</u>	<u>\$ 670,701</u>	<u>\$ 80,873</u>	<u>\$ 4,857,648</u>
\$ 3,254	\$ -	\$ 33,583	\$ -	\$ 346,723
3,452	2,804	1,448	-	74,777
-	-	-	-	55,000
-	-	1,283	-	30,376
2,239	1,941	2,601	-	129,267
50,744	13,064	27,245	-	505,543
<u>59,689</u>	<u>17,809</u>	<u>66,160</u>	<u>-</u>	<u>1,141,686</u>
8,776	-	-	-	20,262
-	770	-	-	5,278
-	184	-	-	15,261
-	-	-	-	-
-	-	-	-	250,000
<u>152,554</u>	<u>109,843</u>	<u>604,541</u>	<u>80,873</u>	<u>3,425,161</u>
<u>161,330</u>	<u>110,797</u>	<u>604,541</u>	<u>80,873</u>	<u>3,715,962</u>
<u>\$ 221,019</u>	<u>\$ 128,606</u>	<u>\$ 670,701</u>	<u>\$ 80,873</u>	<u>\$ 4,857,648</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Dog and Kennel</u>	<u>Public Assistance</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	50,114	-
Licenses and permits . . . . .	143,942	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	-	2,140,717	509,465	118,294
Investment income . . . . .	-	-	-	-
Other . . . . .	2,306	278,114	-	850
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	146,248	2,418,831	559,579	119,144
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	-	-	-	-
Judicial . . . . .	-	-	-	-
Public safety. . . . .	-	-	-	-
Public works. . . . .	-	-	-	-
Health . . . . .	132,131	-	-	-
Human services . . . . .	-	2,696,677	647,067	144,096
Conservation and recreation. . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	132,131	2,696,677	647,067	144,096
Excess (deficiency) of revenues over (under) expenditures. . . . .	14,117	(277,846)	(87,488)	(24,952)
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	-	109,287	93,500	-
Transfers out. . . . .	(10,000)	-	-	-
Total other financing sources (uses) . . . . .	(10,000)	109,287	93,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	4,117	(168,559)	6,012	(24,952)
<b>Fund balance (deficit) at beginning of year (restated)</b>	<hr/>	<hr/>	<hr/>	<hr/>
	45,782	945,407	321,133	73,903
<b>Fund balance (deficit) at end of year. . . . .</b>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 49,899	\$ 776,848	\$ 327,145	\$ 48,951

<u>Real Estate Assessment</u>	<u>Delinquent Real Estate Collection</u>	<u>Delinquent Real Estate Prosecutor</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>	<u>Victim Advocacy/ Office of Criminal Justice</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357,820	24,354	22,844	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	44,999	51,728	45,000
-	-	-	-	-	-
215	-	4,415	-	61	-
<u>358,035</u>	<u>24,354</u>	<u>27,259</u>	<u>44,999</u>	<u>51,789</u>	<u>45,000</u>
367,794	19,475	6,075	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	74,449	59,786
-	-	-	46,394	-	-
<u>367,794</u>	<u>19,475</u>	<u>6,075</u>	<u>46,394</u>	<u>74,449</u>	<u>59,786</u>
<u>(9,759)</u>	<u>4,879</u>	<u>21,184</u>	<u>(1,395)</u>	<u>(22,660)</u>	<u>(14,786)</u>
-	-	-	-	16,258	15,000
-	-	-	-	-	-
-	-	-	-	16,258	15,000
(9,759)	4,879	21,184	(1,395)	(6,402)	214
<u>153,646</u>	<u>6,516</u>	<u>-</u>	<u>(1,324)</u>	<u>9,463</u>	<u>-</u>
<u>\$ 143,887</u>	<u>\$ 11,395</u>	<u>\$ 21,184</u>	<u>\$ (2,719)</u>	<u>\$ 3,061</u>	<u>\$ 214</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, 2005

	<u>Indigent Guardianship</u>	<u>General Special Projects Common Pleas</u>	<u>Sheriff Concealed Handgun License</u>	<u>Education and Enforcement</u>
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	3,360	-	-	-
Licenses and permits . . . . .	-	-	10,652	-
Fines and forfeitures . . . . .	-	26,586	-	1,207
Intergovernmental . . . . .	-	-	-	-
Investment income . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Total revenues . . . . .	<u>3,360</u>	<u>26,586</u>	<u>10,652</u>	<u>1,207</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	-	-	-	-
Judicial . . . . .	-	26,383	-	-
Public safety. . . . .	6,867	-	12,173	3,236
Public works. . . . .	-	-	-	-
Health . . . . .	-	-	-	-
Human services . . . . .	-	-	-	-
Conservation and recreation. . . . .	-	-	-	-
Total expenditures . . . . .	<u>6,867</u>	<u>26,383</u>	<u>12,173</u>	<u>3,236</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(3,507)</u>	<u>203</u>	<u>(1,521)</u>	<u>(2,029)</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	-	-	-	-
Transfers out. . . . .	-	-	-	-
Total other financing sources (uses). . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	(3,507)	203	(1,521)	(2,029)
<b>Fund balance (deficit) at beginning of year (restated)</b>	<u>5,178</u>	<u>9,647</u>	<u>2,460</u>	<u>7,356</u>
<b>Fund balance (deficit) at end of year. . . . .</b>	<u>\$ 1,671</u>	<u>\$ 9,850</u>	<u>\$ 939</u>	<u>\$ 5,327</u>

<b>Help America Vote Act</b>	<b>911</b>	<b>Special Projects</b>	<b>Employee Expended</b>	<b>Transportation Coordination</b>	<b>Certificate Title Administration</b>
\$ -	\$ 325	\$ -	\$ -	\$ -	\$ -
-	89,100	20,934	-	755,720	76,753
-	-	-	-	-	-
-	-	-	-	-	-
271,266	-	-	-	160,590	-
-	27,893	-	-	-	-
-	-	735	-	-	165
<u>271,266</u>	<u>117,318</u>	<u>21,669</u>	<u>-</u>	<u>916,310</u>	<u>76,918</u>
-	-	-	23,051	-	80,765
-	-	47,138	-	-	-
-	581,803	-	-	-	-
-	-	-	-	926,034	-
-	-	-	-	-	-
269,436	-	-	-	-	-
-	-	-	-	-	-
<u>269,436</u>	<u>581,803</u>	<u>47,138</u>	<u>23,051</u>	<u>926,034</u>	<u>80,765</u>
<u>1,830</u>	<u>(464,485)</u>	<u>(25,469)</u>	<u>(23,051)</u>	<u>(9,724)</u>	<u>(3,847)</u>
-	-	-	16,617	48,400	-
-	-	-	-	-	-
-	-	-	16,617	48,400	-
1,830	(464,485)	(25,469)	(6,434)	38,676	(3,847)
-	1,133,182	90,114	256,434	(45,323)	13,076
<u>\$ 1,830</u>	<u>\$ 668,697</u>	<u>\$ 64,645</u>	<u>\$ 250,000</u>	<u>\$ (6,647)</u>	<u>\$ 9,229</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, 2005

	<u>Sheriff's Overtime Block Grant</u>	<u>Courthouse Security Grant</u>	<u>Federal Equitable Sharing</u>	<u>Scenic Byways</u>
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	-
Intergovernmental . . . . .	112,593	-	2,270	-
Investment income . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Total revenues . . . . .	<u>112,593</u>	<u>-</u>	<u>2,270</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	-	-	-	-
Judicial . . . . .	-	-	-	-
Public safety . . . . .	83,454	1,878	11,610	-
Public works . . . . .	-	-	-	-
Health . . . . .	-	-	-	-
Human services . . . . .	-	-	-	-
Conservation and recreation . . . . .	-	-	-	-
Total expenditures . . . . .	<u>83,454</u>	<u>1,878</u>	<u>11,610</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>29,139</u>	<u>(1,878)</u>	<u>(9,340)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Transfers out . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	29,139	(1,878)	(9,340)	-
<b>Fund balance (deficit) at beginning of year (restated)</b>	<u>-</u>	<u>4,875</u>	<u>69,172</u>	<u>9,250</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 29,139</u>	<u>\$ 2,997</u>	<u>\$ 59,832</u>	<u>\$ 9,250</u>



<b>Community Development</b>	<b>Habitat for Humanity</b>	<b>Community Development 1999 Grant</b>	<b>Domestic Violence</b>	<b>Jail Kitchen</b>	<b>Indigent Drivers Alcohol</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,000	-	-	-	1,318	-
-	-	-	-	-	-
-	-	-	7,367	-	5,499
122,000	50,000	83,800	-	-	-
-	-	-	-	-	-
26,000	-	-	-	9,379	-
<u>152,000</u>	<u>50,000</u>	<u>83,800</u>	<u>7,367</u>	<u>10,697</u>	<u>5,499</u>
125,262	50,000	88,675	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,417	251,159	1,054
-	-	-	-	-	-
<u>125,262</u>	<u>50,000</u>	<u>88,675</u>	<u>6,417</u>	<u>251,159</u>	<u>1,054</u>
<u>26,738</u>	<u>-</u>	<u>(4,875)</u>	<u>950</u>	<u>(240,462)</u>	<u>4,445</u>
-	-	-	-	232,872	-
(23,400)	-	-	-	-	-
<u>(23,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,872</u>	<u>-</u>
3,338	-	(4,875)	950	(7,590)	4,445
-	-	4,875	2,623	4,803	73,084
<u>\$ 3,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,573</u>	<u>\$ (2,787)</u>	<u>\$ 77,529</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Tax Map	Probate Court Conduct of Business	Disaster Services	Community Housing Improvement
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	315,648	-	-	-
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	15,722	-	-
Intergovernmental . . . . .	-	46,665	21,912	286,796
Investment income . . . . .	-	-	-	-
Other . . . . .	2,981	28	13,320	44
Total revenues . . . . .	<u>318,629</u>	<u>62,415</u>	<u>35,232</u>	<u>286,840</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	412,239	-	-	268,442
Judicial . . . . .	-	66,569	-	-
Public safety . . . . .	-	-	89,281	-
Public works . . . . .	-	-	-	-
Health . . . . .	-	-	-	-
Human services . . . . .	-	-	-	-
Conservation and recreation . . . . .	-	-	-	-
Total expenditures . . . . .	<u>412,239</u>	<u>66,569</u>	<u>89,281</u>	<u>268,442</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(93,610)</u>	<u>(4,154)</u>	<u>(54,049)</u>	<u>18,398</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	20,000	-	35,000	-
Transfers out . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	<u>20,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Net change in fund balances . . . . .	(73,610)	(4,154)	(19,049)	18,398
<b>Fund balance (deficit) at beginning of year . .</b>	<u>99,395</u>	<u>66,271</u>	<u>80,996</u>	<u>21,897</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 25,785</u>	<u>\$ 62,117</u>	<u>\$ 61,947</u>	<u>\$ 40,295</u>

<b>Youth Services Subsidy Grant</b>	<b>Recycling and Litter</b>	<b>Children Services</b>	<b>Community Corrections</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ 325
-	7,558	-	-	1,729,523
-	187,616	-	-	342,210
-	-	-	-	56,381
153,223	-	671,147	73,842	4,966,307
-	-	-	-	27,893
552	-	110,342	-	449,507
<u>153,775</u>	<u>195,174</u>	<u>781,489</u>	<u>73,842</u>	<u>7,572,146</u>
-	-	-	-	1,441,778
-	-	-	-	140,090
148,811	-	-	78,495	1,017,608
-	176,687	-	-	1,102,721
-	-	-	-	132,131
-	-	1,299,007	-	5,449,148
-	-	-	-	46,394
<u>148,811</u>	<u>176,687</u>	<u>1,299,007</u>	<u>78,495</u>	<u>9,329,870</u>
<u>4,964</u>	<u>18,487</u>	<u>(517,518)</u>	<u>(4,653)</u>	<u>(1,757,724)</u>
-	-	274,740	-	861,674
-	-	-	-	(33,400)
-	-	274,740	-	828,274
4,964	18,487	(242,778)	(4,653)	(929,450)
<u>156,366</u>	<u>92,310</u>	<u>847,319</u>	<u>85,526</u>	<u>4,645,412</u>
<u>\$ 161,330</u>	<u>\$ 110,797</u>	<u>\$ 604,541</u>	<u>\$ 80,873</u>	<u>\$ 3,715,962</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 32,000	\$ 32,000	\$ 42,041	\$ 10,041
Intergovernmental . . . . .	3,558,000	4,021,752	4,250,937	229,185
Other . . . . .	174,000	174,000	238,717	64,717
	<u>3,764,000</u>	<u>4,227,752</u>	<u>4,531,695</u>	<u>303,943</u>
Total revenues . . . . .				
<b>Expenditures:</b>				
Current:				
Public works				
Personal services . . . . .	2,102,663	2,181,526	1,912,885	268,641
Materials and supplies . . . . .	1,700,500	1,973,248	1,632,283	340,965
Contractual services . . . . .	604,300	855,318	594,424	260,894
Capital outlay . . . . .	1,071,644	932,767	414,344	518,423
Other . . . . .	9,900	9,900	7,307	2,593
	<u>5,489,007</u>	<u>5,952,759</u>	<u>4,561,243</u>	<u>1,391,516</u>
Total expenditures . . . . .				
Net change in fund balance . . . . .	(1,725,007)	(1,725,007)	(29,548)	1,695,459
<b>Fund balance at beginning of year . . . . .</b>	1,725,007	1,725,007	1,725,007	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,459</u>	<u>\$ 1,695,459</u>

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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 2,929,208	\$ 2,929,208	\$ 3,006,691	\$ 77,483
Charges for services . . . . .	63,234	83,715	93,216	9,501
Intergovernmental . . . . .	1,742,820	1,756,489	2,136,197	379,708
Investment income . . . . .	550	550	1,434	884
Other . . . . .	252,871	296,921	318,159	21,238
<b>Total revenues . . . . .</b>	<b>4,988,683</b>	<b>5,066,883</b>	<b>5,555,697</b>	<b>488,814</b>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services. . . . .	3,594,352	3,730,860	3,486,600	244,260
Materials and supplies . . . . .	218,686	276,668	251,003	25,665
Contractual services . . . . .	1,218,010	1,233,436	1,181,837	51,599
Capital outlay . . . . .	164,000	215,073	166,332	48,741
Other. . . . .	31,750	32,510	22,458	10,052
<b>Total expenditures . . . . .</b>	<b>5,226,798</b>	<b>5,488,547</b>	<b>5,108,230</b>	<b>380,317</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(238,115)	(421,664)	447,467	869,131
<b>Other financing uses:</b>				
Transfers out . . . . .	(63,833)	(15,500)	(55,000)	(39,500)
<b>Total other financing uses . . . . .</b>	<b>(63,833)</b>	<b>(15,500)</b>	<b>(55,000)</b>	<b>(39,500)</b>
Net change in fund balance. . . . .	(301,948)	(437,164)	392,467	829,631
<b>Fund balance at beginning of year . . . . .</b>	<b>1,805,270</b>	<b>1,805,270</b>	<b>1,805,270</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 1,503,322</b>	<b>\$ 1,368,106</b>	<b>\$ 2,197,737</b>	<b>\$ 829,631</b>

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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 857,560	\$ 857,560	\$ 893,638	\$ 36,078
Charges for services . . . . .	414,000	414,000	443,508	29,508
Intergovernmental . . . . .	89,600	89,600	88,991	(609)
Rentals . . . . .	31,285	31,285	34,836	3,551
Other . . . . .	6,200	6,200	11,118	4,918
	<u>1,398,645</u>	<u>1,398,645</u>	<u>1,472,091</u>	<u>73,446</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	1,148,304	1,109,759	1,102,926	6,833
Materials and supplies . . . . .	175,000	154,800	151,193	3,607
Contractual services . . . . .	92,200	166,475	162,571	3,904
Capital outlay . . . . .	90,000	69,300	67,562	1,738
Other . . . . .	5,500	10,670	9,619	1,051
	<u>1,511,004</u>	<u>1,511,004</u>	<u>1,493,871</u>	<u>17,133</u>
Total expenditures . . . . .				
	<u>1,511,004</u>	<u>1,511,004</u>	<u>1,493,871</u>	<u>17,133</u>
Net change in fund balance . . . . .	(112,359)	(112,359)	(21,780)	90,579
<b>Fund balance at beginning of year . . . . .</b>	128,454	128,454	128,454	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 16,095</u>	<u>\$ 16,095</u>	<u>\$ 106,674</u>	<u>\$ 90,579</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits . . . . .	\$ 118,500	\$ 118,500	\$ 143,942	\$ 25,442
Other . . . . .	3,000	3,000	2,306	(694)
Total revenues . . . . .	121,500	121,500	146,248	24,748
<b>Expenditures:</b>				
Current:				
Health				
Personal services . . . . .	118,891	118,663	114,419	4,244
Materials and supplies . . . . .	3,700	3,700	2,281	1,419
Other . . . . .	11,000	17,258	15,235	2,023
Total expenditures . . . . .	133,591	139,621	131,935	7,686
Excess (deficiency) of revenues over (under) expenditures . . . . .	(12,091)	(18,121)	14,313	32,434
<b>Other financing uses:</b>				
Transfers out . . . . .	(10,000)	(10,000)	(10,000)	-
Total other financing uses . . . . .	(10,000)	(10,000)	(10,000)	-
Net change in fund balance . . . . .	(22,091)	(28,121)	4,313	32,434
<b>Fund balance at beginning of year . . . . .</b>	48,325	48,325	48,325	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 26,234</u>	<u>\$ 20,204</u>	<u>\$ 52,638</u>	<u>\$ 32,434</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 2,575,021	\$ 2,575,021	\$ 2,873,183	\$ 298,162
Other . . . . .	387,034	387,034	269,030	(118,004)
Total revenues . . . . .	<u>2,962,055</u>	<u>2,962,055</u>	<u>3,142,213</u>	<u>180,158</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services. . . . .	993,098	993,098	829,622	163,476
Materials and supplies . . . . .	56,000	61,000	60,044	956
Contractual services . . . . .	635,000	655,000	558,727	96,273
Capital outlay . . . . .	50,000	70,000	63,022	6,978
Other. . . . .	1,712,189	1,667,189	1,098,010	569,179
Total expenditures . . . . .	<u>3,446,287</u>	<u>3,446,287</u>	<u>2,609,425</u>	<u>836,862</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(484,232)</u>	<u>(484,232)</u>	<u>532,788</u>	<u>1,017,020</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	109,287	109,287	109,287	-
Transfers out . . . . .	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Total other financing sources (uses) . . . . .	<u>106,287</u>	<u>106,287</u>	<u>109,287</u>	<u>3,000</u>
Net change in fund balance . . . . .	<u>(377,945)</u>	<u>(377,945)</u>	<u>642,075</u>	<u>1,020,020</u>
<b>Fund balance at beginning of year . . . . .</b>	<u>308,060</u>	<u>308,060</u>	<u>308,060</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (69,885)</u>	<u>\$ (69,885)</u>	<u>\$ 950,135</u>	<u>\$ 1,020,020</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, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Charges for services . . . . .	\$ 49,606	\$ 49,605	\$ 54,697	\$ 5,092
Intergovernmental . . . . .	533,875	533,876	518,210	(15,666)
Other . . . . .	2,000	2,000	-	(2,000)
Total revenues . . . . .	585,481	585,481	572,907	(12,574)
<b>Expenditures:</b>				
Current:				
Human services				
Personal services. . . . .	312,289	312,289	257,259	55,030
Materials and supplies . . . . .	3,000	3,000	826	2,174
Contractual services . . . . .	641,000	641,000	366,037	274,963
Other. . . . .	41,000	41,000	9,206	31,794
Total expenditures . . . . .	997,289	997,289	633,328	363,961
Excess (deficiency) of revenues over (under) expenditures . . . . .	(411,808)	(411,808)	(60,421)	351,387
<b>Other financing sources:</b>				
Transfers in . . . . .	93,500	93,500	93,500	-
Total other financing sources . . . . .	93,500	93,500	93,500	-
Net change in fund balance . . . . .	(318,308)	(318,308)	33,079	351,387
<b>Fund balance at beginning of year . . . . .</b>	318,308	318,308	318,308	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	\$ -	\$ -	\$ 351,387	\$ 351,387

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 142,909	\$ 142,909	\$ 118,294	\$ (24,615)
Other . . . . .	47,000	47,000	1,661	(45,339)
Total revenues . . . . .	189,909	189,909	119,955	(69,954)
<b>Expenditures:</b>				
Human Services				
Personal services. . . . .	263,000	256,000	137,216	118,784
Other. . . . .	-	7,000	1,877	5,123
Total expenditures . . . . .	263,000	263,000	139,093	123,907
Net change in fund balance. . . . .	(73,091)	(73,091)	(19,138)	53,953
Fund balance at beginning of year . . . . .	73,092	73,092	73,092	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	\$ 1	\$ 1	\$ 53,954	\$ 53,953

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 330,500	\$ 330,500	\$ 357,820	\$ 27,320
Other . . . . .	250	250	215	(35)
Total revenues . . . . .	<u>330,750</u>	<u>330,750</u>	<u>358,035</u>	<u>27,285</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	204,000	204,000	180,048	23,952
Materials and supplies . . . . .	15,000	15,000	10,624	4,376
Contractual services . . . . .	213,972	213,972	155,939	58,033
Other . . . . .	<u>25,000</u>	<u>25,000</u>	<u>19,521</u>	<u>5,479</u>
Total expenditures . . . . .	<u>457,972</u>	<u>457,972</u>	<u>366,132</u>	<u>91,840</u>
Net change in fund balance . . . . .	(127,222)	(127,222)	(8,097)	119,125
<b>Fund balance at beginning of year . . . . .</b>	144,345	144,345	144,345	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>13,972</u>	<u>13,972</u>	<u>13,972</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 31,095</u>	<u>\$ 31,095</u>	<u>\$ 150,220</u>	<u>\$ 119,125</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 25,000	\$ 25,000	\$ 24,354	\$ (646)
Total revenues . . . . .	<u>25,000</u>	<u>25,000</u>	<u>24,354</u>	<u>(646)</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	-	331	331	-
Other . . . . .	<u>38,578</u>	<u>38,247</u>	<u>26,206</u>	<u>12,041</u>
Total expenditures. . . . .	<u>38,578</u>	<u>38,578</u>	<u>26,537</u>	<u>12,041</u>
Net change in fund balance. . . . .	(13,578)	(13,578)	(2,183)	11,395
<b>Fund balance at beginning of year. . . . .</b>	13,578	13,578	13,578	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,395</u>	<u>\$ 11,395</u>

**HOLMES COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 DELINQUENT REAL ESTATE PROSECUTOR FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 25,000	\$ 25,000	\$ 22,844	\$ (2,156)
Other . . . . .	4,415	4,415	4,415	-
<b>Total revenues . . . . .</b>	<u>29,415</u>	<u>29,415</u>	<u>27,259</u>	<u>(2,156)</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	25,000	25,095	5,377	19,718
Other . . . . .	4,415	4,320	280	4,040
<b>Total expenditures . . . . .</b>	<u>29,415</u>	<u>29,415</u>	<u>5,657</u>	<u>23,758</u>
Net change in fund balance. . . . .	-	-	21,602	21,602
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,602</u>	<u>\$ 21,602</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 45,000	\$ 45,000	\$ 44,999	\$ (1)
Total revenues. . . . .	<u>45,000</u>	<u>45,000</u>	<u>44,999</u>	<u>(1)</u>
<b>Expenditures:</b>				
Current:				
Conservation and recreation				
Personal services. . . . .	44,925	44,925	44,923	2
Other. . . . .	<u>75</u>	<u>75</u>	<u>75</u>	<u>-</u>
Total expenditures . . . . .	<u>45,000</u>	<u>45,000</u>	<u>44,998</u>	<u>2</u>
Net change in fund balance . . . . .	-	-	1	1
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 VICTIMS ASSISTANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 36,310	\$ 91,168	\$ 51,728	\$ (39,440)
Other . . . . .	-	61	61	-
Total revenues . . . . .	<u>36,310</u>	<u>91,229</u>	<u>51,789</u>	<u>(39,440)</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	81,839	113,604	64,764	48,840
Materials and supplies . . . . .	1,015	2,247	1,688	559
Contractual services . . . . .	2,246	3,790	2,323	1,467
Capital Outlay . . . . .	-	1,086	1,086	-
Other . . . . .	394	8,761	5,893	2,868
Total expenditures . . . . .	<u>85,494</u>	<u>129,488</u>	<u>75,754</u>	<u>53,734</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(49,184)</u>	<u>(38,259)</u>	<u>(23,965)</u>	<u>14,294</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>12,103</u>	<u>28,724</u>	<u>16,258</u>	<u>(12,466)</u>
Total other financing sources . . . . .	<u>12,103</u>	<u>28,724</u>	<u>16,258</u>	<u>(12,466)</u>
Net change in fund balance . . . . .	(37,081)	(9,535)	(7,707)	1,828
<b>Fund balance at beginning of year . . . . .</b>	11,577	11,577	11,577	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ (25,504)</u>	<u>\$ 2,042</u>	<u>\$ 3,870</u>	<u>\$ 1,828</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 VICTIMS ADVOCACY/OFFICE OF CRIMINAL JUSTICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Total revenues . . . . .	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	58,586	55,586	53,502	2,084
Materials and supplies . . . . .	210	210	210	-
Capital Outlay . . . . .	298	3,203	3,182	21
Other . . . . .	<u>906</u>	<u>1,001</u>	<u>665</u>	<u>336</u>
Total expenditures . . . . .	<u>60,000</u>	<u>60,000</u>	<u>57,559</u>	<u>2,441</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(15,000)</u>	<u>(15,000)</u>	<u>(12,559)</u>	<u>2,441</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance . . . . .	-	-	2,441	2,441
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,441</u>	<u>\$ 2,441</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 3,500	\$ 3,500	\$ 3,560	\$ 60
Total revenues . . . . .	<u>3,500</u>	<u>3,500</u>	<u>3,560</u>	<u>60</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Materials and supplies . . . . .	<u>5,000</u>	<u>7,500</u>	<u>6,867</u>	<u>633</u>
Total expenditures . . . . .	<u>5,000</u>	<u>7,500</u>	<u>6,867</u>	<u>633</u>
Net change in fund balance. . . . .	(1,500)	(4,000)	(3,307)	693
<b>Fund balance at beginning of year . . . . .</b>	4,978	4,978	4,978	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,478</u>	<u>\$ 978</u>	<u>\$ 1,671</u>	<u>\$ 693</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 12,000	\$ 19,800	\$ 28,700	\$ 8,900
Total revenues . . . . .	<u>12,000</u>	<u>19,800</u>	<u>28,700</u>	<u>8,900</u>
<b>Expenditures:</b>				
Current:				
General government - judicial				
Contractual services . . . . .	19,533	19,533	19,087	446
Other . . . . .	-	7,500	1,802	5,698
Total expenditures . . . . .	<u>19,533</u>	<u>27,033</u>	<u>20,889</u>	<u>6,144</u>
Net change in fund balance . . . . .	(7,533)	(7,233)	7,811	15,044
<b>Fund balance at beginning of year . . . . .</b>	7,533	7,533	7,533	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 15,344</u>	<u>\$ 15,044</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits. . . . .	\$ 25,000	\$ 25,000	\$ 10,652	\$ (14,348)
Total revenues . . . . .	<u>25,000</u>	<u>25,000</u>	<u>10,652</u>	<u>(14,348)</u>
<b>Expenditures:</b>				
Current:				
Public Safety				
Personal services. . . . .	<u>25,000</u>	<u>25,000</u>	<u>12,173</u>	<u>12,827</u>
Total expenditures . . . . .	<u>25,000</u>	<u>25,000</u>	<u>12,173</u>	<u>12,827</u>
Net change in fund balance . . . . .	-	-	(1,521)	(1,521)
<b>Fund balance at beginning of year . . . . .</b>	2,460	2,460	2,460	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,460</u>	<u>\$ 2,460</u>	<u>\$ 939</u>	<u>\$ (1,521)</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures. . . . .	\$ 500	\$ 500	\$ 1,150	\$ 650
Total revenues. . . . .	<u>500</u>	<u>500</u>	<u>1,150</u>	<u>650</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services. . . . .	<u>7,778</u>	<u>7,778</u>	<u>3,236</u>	<u>4,542</u>
Total expenditures . . . . .	<u>7,778</u>	<u>7,778</u>	<u>3,236</u>	<u>4,542</u>
Net change in fund balance. . . . .	(7,278)	(7,278)	(2,086)	5,192
<b>Fund balance at beginning of year . . . . .</b>	7,278	7,278	7,278	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,192</u>	<u>\$ 5,192</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental. . . . .	\$ -	\$ 12,066	\$ 271,266	\$ 259,200
Total revenues. . . . .	<u>-</u>	<u>12,066</u>	<u>271,266</u>	<u>259,200</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services. . . . .	\$ -	\$ 12,066	\$ 269,436	\$ (257,370)
Total expenditures . . . . .	<u>-</u>	<u>12,066</u>	<u>269,436</u>	<u>(257,370)</u>
Net change in fund balance. . . . .	-	-	1,830	1,830
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,830</u>	<u>\$ 1,830</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ -	\$ 392	\$ 392
Charges for services . . . . .	-	-	89,100	89,100
Interest . . . . .	27,830	27,830	27,830	-
Total revenues . . . . .	<u>27,830</u>	<u>27,830</u>	<u>117,322</u>	<u>89,492</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Materials and supplies . . . . .	500	500	-	500
Contractual services . . . . .	115,400	457,500	424,411	33,089
Other . . . . .	4,000	2,200	1,260	940
Total expenditures . . . . .	<u>119,900</u>	<u>460,200</u>	<u>425,671</u>	<u>34,529</u>
Net change in fund balance. . . . .	(92,070)	(432,370)	(308,349)	124,021
<b>Fund balance at beginning of year . . . . .</b>	1,147,579	1,147,579	1,147,579	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,055,509</u>	<u>\$ 715,209</u>	<u>\$ 839,230</u>	<u>\$ 124,021</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 18,000	\$ 18,000	\$ 20,934	\$ 2,934
Other . . . . .	200	200	510	310
<b>Total revenues . . . . .</b>	<u>18,200</u>	<u>18,200</u>	<u>21,444</u>	<u>3,244</u>
<b>Expenditures:</b>				
Current:				
General government - judicial				
Materials and supplies . . . . .	70,000	70,000	47,138	22,862
<b>Total expenditures . . . . .</b>	<u>70,000</u>	<u>70,000</u>	<u>47,138</u>	<u>22,862</u>
Net change in fund balance. . . . .	(51,800)	(51,800)	(25,694)	26,106
<b>Fund balance at beginning of year . . . . .</b>	88,836	88,836	88,836	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 37,036</u>	<u>\$ 37,036</u>	<u>\$ 63,142</u>	<u>\$ 26,106</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	\$ -	\$ 24,814	\$ 9,533	\$ 15,281
Other . . . . .	-	35,186	13,518	21,668
Total expenditures . . . . .	-	60,000	23,051	36,949
Excess (deficiency) of revenues over (under) expenditures . . . . .	-	(60,000)	(23,051)	36,949
<b>Other financing sources :</b>				
Transfers in . . . . .	-	-	16,617	16,617
Total other financing sources . . . . .	-	-	16,617	16,617
Net change in fund balance . . . . .	-	(60,000)	(6,434)	53,566
<b>Fund balance at beginning of year . . . . .</b>	256,434	256,434	256,434	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 256,434</u>	<u>\$ 196,434</u>	<u>\$ 250,000</u>	<u>\$ 53,566</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 530,800	\$ 724,480	\$ 758,715	\$ 34,235
Intergovernmental . . . . .	163,000	160,200	160,590	390
Total revenues . . . . .	<u>693,800</u>	<u>884,680</u>	<u>919,305</u>	<u>34,625</u>
<b>Expenditures:</b>				
Current:				
Public works				
Personal services. . . . .	439,000	576,925	564,887	12,038
Materials and supplies . . . . .	125,000	178,617	162,339	16,278
Contractual services . . . . .	103,300	95,089	79,773	15,316
Capital outlay . . . . .	40,000	82,300	81,752	548
Other. . . . .	10,000	24,000	23,349	651
Total expenditures . . . . .	<u>717,300</u>	<u>956,931</u>	<u>912,100</u>	<u>44,831</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(23,500)</u>	<u>(72,251)</u>	<u>7,205</u>	<u>79,456</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	25,000	48,400	48,400	-
Total other financing sources . . . . .	<u>25,000</u>	<u>48,400</u>	<u>48,400</u>	<u>-</u>
Net change in fund balance. . . . .	1,500	(23,851)	55,605	79,456
<b>Fund balance at beginning of year . . . . .</b>	39,012	39,012	39,012	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 40,512</u>	<u>\$ 15,161</u>	<u>\$ 94,617</u>	<u>\$ 79,456</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 85,000	\$ 85,000	\$ 78,232	\$ (6,768)
Other . . . . .	-	-	165	165
Total revenues. . . . .	<u>85,000</u>	<u>85,000</u>	<u>78,397</u>	<u>(6,603)</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Other. . . . .	<u>85,000</u>	<u>85,165</u>	<u>80,765</u>	<u>4,400</u>
Total expenditures . . . . .	<u>85,000</u>	<u>85,165</u>	<u>80,765</u>	<u>4,400</u>
Net change in fund balance. . . . .	-	(165)	(2,368)	(2,203)
<b>Fund balance at beginning of year . . . . .</b>	7,106	7,106	7,106	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,106</u>	<u>\$ 6,941</u>	<u>\$ 4,738</u>	<u>\$ (2,203)</u>

**HOLMES COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SHERIFF'S OVERTIME BLOCK GRANT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 99,794	\$ 112,593	\$ 12,799
Total revenues . . . . .	<u>-</u>	<u>99,794</u>	<u>112,593</u>	<u>12,799</u>
<b>Expenditures:</b>				
Current:				
Public Safety				
Capital outlay . . . . .	\$ -	\$ 87,330	\$ 83,454	\$ 3,876
Total expenditures . . . . .	<u>-</u>	<u>87,330</u>	<u>83,454</u>	<u>3,876</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>-</u>	<u>12,464</u>	<u>29,139</u>	<u>16,675</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>-</u>	<u>(2,330)</u>	<u>-</u>	<u>2,330</u>
Total other financing uses . . . . .	<u>-</u>	<u>(2,330)</u>	<u>-</u>	<u>2,330</u>
Net change in fund balance . . . . .	<u>-</u>	<u>10,134</u>	<u>29,139</u>	<u>19,005</u>
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 10,134</u>	<u>\$ 29,139</u>	<u>\$ 19,005</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Public safety				
Capital outlay . . . . .	\$ -	\$ 4,875	\$ 1,878	\$ 2,997
Total expenditures . . . . .	-	4,875	1,878	2,997
Net change in fund balance . . . . .	-	(4,875)	(1,878)	2,997
<b>Fund balance at beginning of year . . . . .</b>	4,875	4,875	4,875	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,875</u>	<u>\$ -</u>	<u>\$ 2,997</u>	<u>\$ 2,997</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 71,625	\$ 2,270	\$ (69,355)
Total revenues . . . . .	-	71,625	2,270	(69,355)
<b>Expenditures:</b>				
Current:				
Public safety				
Capital outlay. . . . .	-	86,802	15,987	70,815
Total expenditures . . . . .	-	86,802	15,987	70,815
Net change in fund balance. . . . .	-	(15,177)	(13,717)	1,460
<b>Fund balance at beginning of year . . . . .</b>	69,172	69,172	69,172	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 69,172</u>	<u>\$ 53,995</u>	<u>\$ 55,455</u>	<u>\$ 1,460</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Fund balance at beginning of year . . . . .</b>	\$ 9,250	\$ 9,250	\$ 9,250	\$ -
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<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 GRANT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for Services . . . . .	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Intergovernmental . . . . .	175,000	175,000	122,000	(53,000)
Other . . . . .	<u>31,000</u>	<u>31,000</u>	<u>26,000</u>	<u>(5,000)</u>
Total revenues . . . . .	<u>210,000</u>	<u>210,000</u>	<u>152,000</u>	<u>(58,000)</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	31,000	31,000	25,474	5,526
Contractual services . . . . .	<u>155,600</u>	<u>155,600</u>	<u>99,788</u>	<u>55,812</u>
Total expenditures . . . . .	<u>186,600</u>	<u>186,600</u>	<u>125,262</u>	<u>61,338</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>23,400</u>	<u>23,400</u>	<u>26,738</u>	<u>3,338</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>(23,400)</u>	<u>(23,400)</u>	<u>(23,400)</u>	<u>-</u>
Total other financing uses . . . . .	<u>(23,400)</u>	<u>(23,400)</u>	<u>(23,400)</u>	<u>-</u>
Net change in fund balance . . . . .	-	-	3,338	3,338
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,338</u>	<u>\$ 3,338</u>

**HOLMES COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 HABITAT FOR HUMANITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues . . . . .	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Contractual services . . . . .	50,000	50,000	50,000	-
Total expenditures . . . . .	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance. . . . .	-	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<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)  
 COMMUNITY DEVELOPMENT/1999 GRANT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 83,800	\$ 83,800	\$ -
Total revenues . . . . .	<u>-</u>	<u>83,800</u>	<u>83,800</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	-	2,235	2,235	-
Contractual services . . . . .	-	86,440	86,440	-
Total expenditures . . . . .	<u>-</u>	<u>88,675</u>	<u>88,675</u>	<u>-</u>
Net change in fund balance. . . . .	-	(4,875)	(4,875)	-
<b>Fund balance at beginning of year . . . . .</b>	4,875	4,875	4,875	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,875</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)  
 DOMESTIC VIOLENCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 5,000	\$ 5,000	\$ 7,666	\$ 2,666
Total revenues . . . . .	<u>5,000</u>	<u>5,000</u>	<u>7,666</u>	<u>2,666</u>
<b>Expenditures:</b>				
Current:				
Human services				
Contractual services . . . . .	<u>-</u>	<u>6,417</u>	<u>6,417</u>	<u>-</u>
Total expenditures . . . . .	<u>-</u>	<u>6,417</u>	<u>6,417</u>	<u>-</u>
Net change in fund balance . . . . .	5,000	(1,417)	1,249	2,666
<b>Fund balance at beginning of year . . . . .</b>	2,324	2,324	2,324	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,324</u>	<u>\$ 907</u>	<u>\$ 3,573</u>	<u>\$ 2,666</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 500	\$ 1,150	\$ 1,318	\$ 168
Other . . . . .	-	9,379	9,379	-
Total revenues . . . . .	<u>500</u>	<u>10,529</u>	<u>10,697</u>	<u>168</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	148,013	152,050	152,002	48
Materials and supplies . . . . .	53,328	90,497	89,667	830
Contractual services . . . . .	2,500	4,245	4,219	26
Other . . . . .	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures . . . . .	<u>203,891</u>	<u>246,792</u>	<u>245,888</u>	<u>904</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(203,391)</u>	<u>(236,263)</u>	<u>(235,191)</u>	<u>1,072</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>200,000</u>	<u>232,872</u>	<u>232,872</u>	<u>-</u>
Total other financing sources . . . . .	<u>200,000</u>	<u>232,872</u>	<u>232,872</u>	<u>-</u>
Net change in fund balance . . . . .	(3,391)	(3,391)	(2,319)	1,072
<b>Fund balance at beginning of year . . . . .</b>	3,390	3,390	3,390	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1,071</u>	<u>\$ 1,072</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 5,000	\$ 5,000	\$ 6,110	\$ 1,110
Total revenues . . . . .	<u>5,000</u>	<u>5,000</u>	<u>6,110</u>	<u>1,110</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	<u>25,000</u>	<u>25,000</u>	<u>1,054</u>	<u>23,946</u>
Total expenditures . . . . .	<u>25,000</u>	<u>25,000</u>	<u>1,054</u>	<u>23,946</u>
Net change in fund balance . . . . .	(20,000)	(20,000)	5,056	25,056
<b>Fund balance at beginning of year . . . . .</b>	72,227	72,227	72,227	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 52,227</u>	<u>\$ 52,227</u>	<u>\$ 77,283</u>	<u>\$ 25,056</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 266,000	\$ 266,000	\$ 315,648	\$ 49,648
Other. . . . .	91,400	91,400	2,981	(88,419)
Total revenues . . . . .	<u>357,400</u>	<u>357,400</u>	<u>318,629</u>	<u>(38,771)</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services. . . . .	87,150	87,543	83,764	3,779
Materials and supplies . . . . .	3,000	3,000	853	2,147
Contractual services . . . . .	360,000	360,000	323,289	36,711
Capital outlay . . . . .	12,000	12,000	409	11,591
Other. . . . .	5,240	4,847	459	4,388
Total expenditures . . . . .	<u>467,390</u>	<u>467,390</u>	<u>408,774</u>	<u>58,616</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(109,990)</u>	<u>(109,990)</u>	<u>(90,145)</u>	<u>19,845</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	20,000	20,000	20,000	-
Total other financing sources. . . . .	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance. . . . .	(89,990)	(89,990)	(70,145)	19,845
<b>Fund balance at beginning of year. . . . .</b>	99,395	99,395	99,395	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 9,405</u>	<u>\$ 9,405</u>	<u>\$ 29,250</u>	<u>\$ 19,845</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 11,000	\$ 11,000	\$ 15,759	\$ 4,759
Intergovernmental . . . . .	69,090	69,090	63,938	(5,152)
Other . . . . .	-	-	28	28
Total revenues . . . . .	<u>80,090</u>	<u>80,090</u>	<u>79,725</u>	<u>(365)</u>
<b>Expenditures:</b>				
Current:				
General government - judicial				
Personal services. . . . .	69,857	69,857	57,228	12,629
Capital outlay . . . . .	10,000	10,000	3,793	6,207
Other . . . . .	-	7,000	6,659	341
Total expenditures . . . . .	<u>79,857</u>	<u>86,857</u>	<u>67,680</u>	<u>19,177</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>233</u>	<u>(6,767)</u>	<u>12,045</u>	<u>18,812</u>
<b>Other financing uses:</b>				
Transfers out . . . . .	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses . . . . .	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	(1,767)	(6,767)	12,045	18,812
<b>Fund balance at beginning of year . . . . .</b>	50,214	50,214	50,214	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>766</u>	<u>766</u>	<u>766</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 49,213</u>	<u>\$ 44,213</u>	<u>\$ 63,025</u>	<u>\$ 18,812</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 30,000	\$ 48,783	\$ 21,912	\$ (26,871)
Other . . . . .	-	-	13,320	13,320
<b>Total revenues.</b> . . . .	<u>30,000</u>	<u>48,783</u>	<u>35,232</u>	<u>(13,551)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services. . . . .	84,850	85,084	64,028	21,056
Materials and supplies . . . . .	1,400	1,000	460	540
Contractual services . . . . .	8,000	8,579	85	8,494
Capital outlay . . . . .	-	5,000	2,438	2,562
Other. . . . .	20,000	51,584	22,681	28,903
<b>Total expenditures</b> . . . . .	<u>114,250</u>	<u>151,247</u>	<u>89,692</u>	<u>61,555</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(84,250)</u>	<u>(102,464)</u>	<u>(54,460)</u>	<u>48,004</u>
<b>Other financing sources:</b>				
Transfer in . . . . .	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
<b>Total other financing sources.</b> . . . .	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance. . . . .	(49,250)	(67,464)	(19,460)	48,004
<b>Fund balance at beginning of year</b> . . . . .	82,964	82,964	82,964	-
<b>Prior year encumbrances appropriated</b> . . . . .	-	-	-	-
<b>Fund balance at end of year</b> . . . . .	<u>\$ 33,714</u>	<u>\$ 15,500</u>	<u>\$ 63,504</u>	<u>\$ 48,004</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 243,300	\$ 260,217	\$ 282,796	\$ 22,579
Other . . . . .	1,200	1,244	44	(1,200)
Total revenues . . . . .	<u>244,500</u>	<u>261,461</u>	<u>282,840</u>	<u>21,379</u>
<b>Expenditures:</b>				
Current:				
General government - legislative and executive				
Personal services . . . . .	52,500	68,050	68,050	-
Materials and supplies. . . . .	1,000	21,897	21,897	-
Contractual services. . . . .	190,800	210,511	177,320	33,191
Total expenditures. . . . .	<u>244,300</u>	<u>300,458</u>	<u>267,267</u>	<u>33,191</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>200</u>	<u>(38,997)</u>	<u>15,573</u>	<u>54,570</u>
<b>Other financing sources:</b>				
Transfer in . . . . .	-	22,897	-	(22,897)
Total other financing sources. . . . .	<u>-</u>	<u>22,897</u>	<u>-</u>	<u>(22,897)</u>
Net change in fund balance . . . . .	200	(16,100)	15,573	31,673
<b>Fund balance at beginning of year . . . . .</b>	21,897	21,897	21,897	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 22,097</u>	<u>\$ 5,797</u>	<u>\$ 37,470</u>	<u>\$ 31,673</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 146,425	\$ 345,701	\$ 179,276	\$ (166,425)
Other . . . . .	400	400	741	341
Total revenues . . . . .	<u>146,825</u>	<u>346,101</u>	<u>180,017</u>	<u>(166,084)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services. . . . .	-	237,897	103,048	134,849
Materials and supplies . . . . .	500	500	-	500
Contractual services . . . . .	-	149,600	50,029	99,571
Other. . . . .	794	11,169	2,650	8,519
Total expenditures . . . . .	<u>1,294</u>	<u>399,166</u>	<u>155,727</u>	<u>243,439</u>
Net change in fund balance. . . . .	145,531	(53,065)	24,290	77,355
<b>Fund balance at beginning of year . . . . .</b>	134,261	134,261	134,261	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>794</u>	<u>794</u>	<u>794</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 280,586</u>	<u>\$ 81,990</u>	<u>\$ 159,345</u>	<u>\$ 77,355</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ -	\$ -	\$ 2,392	\$ 2,392
Licenses and permits. . . . .	150,000	150,000	187,616	37,616
Total revenues . . . . .	<u>150,000</u>	<u>150,000</u>	<u>190,008</u>	<u>40,008</u>
<b>Expenditures:</b>				
Current:				
Public works				
Personal services. . . . .	105,960	152,003	145,363	6,640
Contractual services . . . . .	43,500	32,329	31,555	774
Total expenditures . . . . .	<u>149,460</u>	<u>184,332</u>	<u>176,918</u>	<u>7,414</u>
Net change in fund balance. . . . .	540	(34,332)	13,090	47,422
<b>Fund balance at beginning of year . . . . .</b>	88,426	88,426	88,426	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 88,966</u>	<u>\$ 54,094</u>	<u>\$ 101,516</u>	<u>\$ 47,422</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 649,417	\$ 650,364	\$ 692,912	\$ 42,548
Other . . . . .	84,058	84,058	110,342	26,284
Total revenues . . . . .	<u>733,475</u>	<u>734,422</u>	<u>803,254</u>	<u>68,832</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	39,486	44,867	43,975	892
Materials and supplies . . . . .	6,342	800	-	800
Contractual services . . . . .	1,520,000	1,270,000	769,279	500,721
Other . . . . .	240,000	490,000	449,503	40,497
Total expenditures . . . . .	<u>1,805,828</u>	<u>1,805,667</u>	<u>1,262,757</u>	<u>542,910</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,072,353)</u>	<u>(1,071,245)</u>	<u>(459,503)</u>	<u>611,742</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>274,740</u>	<u>274,740</u>	<u>274,740</u>	<u>-</u>
Total other financing sources . . . . .	<u>274,740</u>	<u>274,740</u>	<u>274,740</u>	<u>-</u>
Net change in fund balance . . . . .	(797,613)	(796,505)	(184,763)	611,742
<b>Fund balance at beginning of year . . . . .</b>	798,834	798,834	798,834	-
<b>Prior year encumbrances appropriated. . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,221</u>	<u>\$ 2,329</u>	<u>\$ 614,071</u>	<u>\$ 611,742</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 94,422	\$ 73,842	\$ (20,580)
Total revenues . . . . .	<u>-</u>	<u>94,422</u>	<u>73,842</u>	<u>(20,580)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services. . . . .	3,280	1,500	-	1,500
Capital outlay . . . . .	<u>125,864</u>	<u>92,922</u>	<u>78,495</u>	<u>14,427</u>
Total expenditures . . . . .	<u>129,144</u>	<u>94,422</u>	<u>78,495</u>	<u>15,927</u>
Net change in fund balance. . . . .	(129,144)	-	(4,653)	(4,653)
<b>Fund balance at beginning of year . . . . .</b>	85,526	85,526	85,526	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (43,618)</u>	<u>\$ 85,526</u>	<u>\$ 80,873</u>	<u>\$ (4,653)</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Sales taxes . . . . .	\$ 420,000	\$ 420,000	\$ 420,000	\$ -
Rental income . . . . .	137,318	137,318	137,318	-
Total revenues . . . . .	<u>557,318</u>	<u>557,318</u>	<u>557,318</u>	<u>-</u>
<b>Expenditures:</b>				
Debt service				
Principal retirement . . . . .	310,000	310,000	310,000	-
Interest and fiscal charges . . . . .	266,372	270,524	270,470	54
Total expenditures . . . . .	<u>576,372</u>	<u>580,524</u>	<u>580,470</u>	<u>54</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(19,054)</u>	<u>(23,206)</u>	<u>(23,152)</u>	<u>54</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	32,445	34,470	34,470	-
Total other financing sources . . . . .	<u>32,445</u>	<u>34,470</u>	<u>34,470</u>	<u>-</u>
Net change in fund balance. . . . .	13,391	11,264	11,318	54
<b>Fund balance at beginning of year . . . . .</b>	112,122	112,122	112,122	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 125,513</u>	<u>\$ 123,386</u>	<u>\$ 123,440</u>	<u>\$ 54</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2005

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 248,255	\$ 102,930	\$ 10,476	\$ 128,067
Cash with fiscal agent . . . . .	-	-	-	-
Sales taxes. . . . .	-	12,000	-	-
Accounts . . . . .	-	-	-	3,069
Materials and supplies inventory . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 248,255</u>	<u>\$ 114,930</u>	<u>\$ 10,476</u>	<u>\$ 131,136</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ 688
Accrued wages . . . . .	-	-	-	1,809
Due to other governments . . . . .	-	-	-	1,612
Deferred revenue . . . . .	-	6,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities. . . . .	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>4,109</u>
<b>Fund Balances:</b>				
Fund Balance:				
Reserved for encumbrances . . . . .	-	-	-	278
Unreserved:				
Undesignated, reported in:				
Capital projects funds . . . . .	248,255	108,930	10,476	126,749
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances . . . . .	<u>248,255</u>	<u>108,930</u>	<u>10,476</u>	<u>127,027</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances . . . . .	<u>\$ 248,255</u>	<u>\$ 114,930</u>	<u>\$ 10,476</u>	<u>\$ 131,136</u>

<b>Recorder's Equipment</b>	<b>Rails to Trails</b>	<b>Total</b>
\$ 21,314	\$ -	\$ 511,042
-	1,600	1,600
-	-	12,000
164	-	3,233
-	-	-
<u>\$ 21,478</u>	<u>\$ 1,600</u>	<u>\$ 527,875</u>
\$ 2,160	\$ -	\$ 2,848
-	-	1,809
-	-	1,612
-	-	6,000
<u>2,160</u>	<u>-</u>	<u>12,269</u>
440	-	718
<u>18,878</u>	<u>1,600</u>	<u>514,888</u>
<u>19,318</u>	<u>1,600</u>	<u>515,606</u>
<u>\$ 21,478</u>	<u>\$ 1,600</u>	<u>\$ 527,875</u>

**HOLMES COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ 72,000	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Fines and forfeitures . . . . .	-	-	-	25,419
Intergovernmental . . . . .	-	-	-	-
Investment income . . . . .	-	530	-	39,022
Contributions and donations . . . . .	-	-	-	-
Other . . . . .	89,090	252,360	-	10,152
<b>Total revenues . . . . .</b>	<u>89,090</u>	<u>324,890</u>	<u>-</u>	<u>74,593</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	135,418	252,658	-	110,474
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<u>135,418</u>	<u>252,658</u>	<u>-</u>	<u>110,474</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(46,328)</u>	<u>72,232</u>	<u>-</u>	<u>(35,881)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	55,000	12,126	-	-
<b>Total other financing sources. . . . .</b>	<u>55,000</u>	<u>12,126</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	8,672	84,358	-	(35,881)
<b>Fund Balance at beginning of year . . . . .</b>	<u>239,583</u>	<u>24,572</u>	<u>10,476</u>	<u>162,908</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 248,255</u>	<u>\$ 108,930</u>	<u>\$ 10,476</u>	<u>\$ 127,027</u>



<u>Recorder's Equipment</u>	<u>Issue II</u>	<u>Rails to Trails</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 72,000
30,203	-	-	30,203
-	-	-	25,419
-	594,026	1,602,213	2,196,239
-	-	2	39,554
-	-	105,424	105,424
-	-	-	351,602
<u>30,203</u>	<u>594,026</u>	<u>1,707,639</u>	<u>2,820,441</u>
33,624	594,026	1,690,553	2,816,753
-	-	9,112	9,112
-	-	10,249	10,249
<u>33,624</u>	<u>594,026</u>	<u>1,709,914</u>	<u>2,836,114</u>
<u>(3,421)</u>	<u>-</u>	<u>(2,275)</u>	<u>(15,673)</u>
-	-	-	67,126
-	-	-	67,126
(3,421)	-	(2,275)	51,453
22,739	-	3,875	464,153
<u>\$ 19,318</u>	<u>\$ -</u>	<u>\$ 1,600</u>	<u>\$ 515,606</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ 89,090	\$ 89,090	\$ -
Total revenues . . . . .	-	89,090	89,090	-
<b>Expenditures:</b>				
Current:				
Capital outlay . . . . .	\$ 81,000	\$ 210,090	\$ 135,418	\$ 74,672
Total expenditures . . . . .	81,000	210,090	135,418	74,672
Excess (deficiency) of revenues over (under) expenditures . . . . .	(81,000)	(121,000)	(46,328)	74,672
<b>Other financing sources:</b>				
Transfers in . . . . .	55,000	55,000	55,000	-
Total other financing sources. . . . .	55,000	55,000	55,000	-
Net change in fund balance. . . . .	(26,000)	(66,000)	8,672	74,672
<b>Fund balance at beginning of year . . . . .</b>	239,583	239,583	239,583	-
<b>Prior year encumbrances appropriated . . . . .</b>	-	-	-	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 213,583</u>	<u>\$ 173,583</u>	<u>\$ 248,255</u>	<u>\$ 74,672</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Sales taxes . . . . .	\$ -	\$ 72,000	\$ 72,000	\$ -
Investment income . . . . .	-	-	597	597
Other . . . . .	77,000	255,000	252,360	(2,640)
Total revenues . . . . .	77,000	327,000	324,957	(2,043)
<b>Expenditures:</b>				
Capital outlay . . . . .	83,506	333,056	298,078	34,978
Total expenditures . . . . .	83,506	333,056	298,078	34,978
Excess (deficiency) of revenues over (under) expenditures . . . . .	(6,506)	(6,056)	26,879	32,935
<b>Other financing sources:</b>				
Transfers in . . . . .	15,506	15,506	12,126	(3,380)
Total other financing sources . . . . .	15,506	15,506	12,126	(3,380)
Net change in fund balance . . . . .	9,000	9,450	39,005	29,555
Fund balance at beginning of year . . . . .	63,925	63,925	63,925	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	\$ 72,925	\$ 73,375	\$ 102,930	\$ 29,555

**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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Fund balance at beginning of year . . . . .</b>	\$ 10,476	\$ 10,476	\$ 10,476	\$ -
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fund balance at end of year . . . . .</b>	<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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures. . . . .	\$ 21,604	\$ 21,604	\$ 26,747	\$ 5,143
Investment income. . . . .	15,000	15,000	39,050	24,050
Other. . . . .	<u>10,010</u>	<u>10,010</u>	<u>10,152</u>	<u>142</u>
Total revenues . . . . .	<u>46,614</u>	<u>46,614</u>	<u>75,949</u>	<u>29,335</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	<u>134,740</u>	<u>140,940</u>	<u>113,821</u>	<u>27,119</u>
Total expenditures . . . . .	<u>134,740</u>	<u>140,940</u>	<u>113,821</u>	<u>27,119</u>
Net change in fund balance. . . . .	(88,126)	(94,326)	(37,872)	56,454
<b>Fund balance at beginning of year . . . . .</b>	165,021	165,021	165,021	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>640</u>	<u>640</u>	<u>640</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 77,535</u>	<u>\$ 71,335</u>	<u>\$ 127,789</u>	<u>\$ 56,454</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 35,000	\$ 35,000	\$ 30,039	\$ (4,961)
Total revenues . . . . .	<u>35,000</u>	<u>35,000</u>	<u>30,039</u>	<u>(4,961)</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	<u>35,000</u>	<u>40,959</u>	<u>36,174</u>	<u>4,785</u>
Total expenditures. . . . .	<u>35,000</u>	<u>40,959</u>	<u>36,174</u>	<u>4,785</u>
Net change in fund balance. . . . .	-	(5,959)	(6,135)	(176)
<b>Fund balance at beginning of year. . . . .</b>	24,849	24,849	24,849	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 24,849</u>	<u>\$ 18,890</u>	<u>\$ 18,714</u>	<u>\$ (176)</u>

**HOLMES COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 ISSUE II FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 702,768	\$ 594,026	\$ (108,742)
Total revenues . . . . .	<u>-</u>	<u>702,768</u>	<u>594,026</u>	<u>(108,742)</u>
<b>Expenditures:</b>				
Capital outlay . . . . .	<u>-</u>	<u>702,768</u>	<u>594,026</u>	<u>108,742</u>
Total expenditures . . . . .	<u>-</u>	<u>702,768</u>	<u>594,026</u>	<u>108,742</u>
Net change in fund balance . . . . .	-	-	-	-
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>\$ -</u>	<u>\$ -</u>

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**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, 2005

	<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>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 608,500	\$ 748,500	\$ 721,857	\$ (26,643)
Other . . . . .	-	11,400	-	(11,400)
Total operating revenues . . . . .	<u>608,500</u>	<u>759,900</u>	<u>721,857</u>	<u>(38,043)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	220,220	219,924	197,018	22,906
Materials and supplies . . . . .	10,000	21,500	18,605	2,895
Contractual services . . . . .	147,410	203,080	179,354	23,726
Capital outlay . . . . .	-	222,086	220,750	1,336
Other . . . . .	500	3,216	3,216	-
Total operating expenses . . . . .	<u>378,130</u>	<u>669,806</u>	<u>618,943</u>	<u>50,863</u>
Operating income . . . . .	<u>230,370</u>	<u>90,094</u>	<u>102,914</u>	<u>12,820</u>
<b>Nonoperating revenue (expense):</b>				
Principal retirement . . . . .	(179,612)	(185,147)	(135,011)	50,136
Interest revenue . . . . .	-	-	8,869	8,869
Intergovernmental revenue . . . . .	-	-	140,000	140,000
Total nonoperating revenue (expense). . . . .	<u>(179,612)</u>	<u>(185,147)</u>	<u>13,858</u>	<u>199,005</u>
Net income (loss) . . . . .	<u>50,758</u>	<u>(95,053)</u>	<u>116,772</u>	<u>211,825</u>
<b>Fund equity at beginning of year (restated) . . . . .</b>	<u>946,400</u>	<u>946,400</u>	<u>946,400</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 997,158</u>	<u>\$ 851,347</u>	<u>\$ 1,063,172</u>	<u>\$ 211,825</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, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
Royalties and fees . . . . .	\$ 60,000	\$ 60,000	\$ 114,615	\$ 54,615
Total operating revenues . . . . .	<u>60,000</u>	<u>60,000</u>	<u>114,615</u>	<u>54,615</u>
<b>Operating expenses:</b>				
Personal services. . . . .	52,228	53,258	50,368	2,890
Contractual services . . . . .	31,000	30,258	27,858	2,400
Other. . . . .	-	1,212	1,212	-
Total operating expenses . . . . .	<u>83,228</u>	<u>84,728</u>	<u>79,438</u>	<u>5,290</u>
Net income (loss) . . . . .	(23,228)	(24,728)	35,177	59,905
<b>Fund equity at beginning of year . . . . .</b>	28,356	28,356	28,356	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund equity at end of year . . . . .</b>	<u>\$ 5,128</u>	<u>\$ 3,628</u>	<u>\$ 63,533</u>	<u>\$ 59,905</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,400	\$ 6,400	\$ 5,589	\$ (811)
Total operating revenues . . . . .	<u>6,400</u>	<u>6,400</u>	<u>5,589</u>	<u>(811)</u>
<b>Operating expenses:</b>				
Contractual services . . . . .	<u>7,660</u>	<u>7,660</u>	<u>6,240</u>	<u>1,420</u>
Total operating expenses . . . . .	<u>7,660</u>	<u>7,660</u>	<u>6,240</u>	<u>1,420</u>
Net income (loss) . . . . .	(1,260)	(1,260)	(651)	609
<b>Fund equity at beginning of year . . . . .</b>	3,388	3,388	3,388	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund equity at end of year. . . . .</b>	<u>\$ 2,128</u>	<u>\$ 2,128</u>	<u>\$ 2,737</u>	<u>\$ 609</u>

**HOLMES COUNTY, OHIO**

**COMBINING STATEMENTS - 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  
 FOR THE YEAR ENDED DECEMEBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<b>District Board of Health</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 894,437	\$ 4,759,651	\$ 4,674,301	\$ 979,787
Total assets. . . . .	<u>\$ 894,437</u>	<u>\$ 4,759,651</u>	<u>\$ 4,674,301</u>	<u>\$ 979,787</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 50,455	\$ -	\$ 50,455
Undistributed assets . . . . .	894,437	4,709,196	4,674,301	929,332
Total liabilities. . . . .	<u>\$ 894,437</u>	<u>\$ 4,759,651</u>	<u>\$ 4,674,301</u>	<u>\$ 979,787</u>
<b>Soil and Water Conservation</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,485	\$ 285,343	\$ 264,973	\$ 22,855
Cash and cash equivalents in segregated accounts . . . . .	267,463	339,265	267,463	339,265
Accounts receivable. . . . .	-	763	-	763
Total assets. . . . .	<u>\$ 269,948</u>	<u>\$ 625,371</u>	<u>\$ 532,436</u>	<u>\$ 362,883</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 1,390	\$ -	\$ 1,390	\$ -
Undistributed assets . . . . .	268,558	625,371	531,046	362,883
Total liabilities. . . . .	<u>\$ 269,948</u>	<u>\$ 625,371</u>	<u>\$ 532,436</u>	<u>\$ 362,883</u>
<b>Park District</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 139,614	\$ 475,083	\$ 524,248	\$ 90,449
Taxes receivable . . . . .	98,048	101,958	98,048	101,958
Due from other governments . . . . .	35,901	38,013	35,901	38,013
Total assets. . . . .	<u>\$ 273,563</u>	<u>\$ 615,054</u>	<u>\$ 658,197</u>	<u>\$ 230,420</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 1,458	\$ -	\$ 1,458
Due to other governments. . . . .	5,181	4,700	5,181	4,700
Undistributed assets . . . . .	268,382	608,896	653,016	224,262
Total liabilities. . . . .	<u>\$ 273,563</u>	<u>\$ 615,054</u>	<u>\$ 658,197</u>	<u>\$ 230,420</u>
<b>Sheriff's Law Enforcement</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 7,662	\$ 1,008	\$ 3,984	\$ 4,686
Accounts receivable. . . . .	-	66	-	66
Total assets. . . . .	<u>\$ 7,662</u>	<u>\$ 1,074</u>	<u>\$ 3,984</u>	<u>\$ 4,752</u>
<b>Liabilities:</b>				
Undistributed assets. . . . .	\$ 7,662	\$ 1,074	\$ 3,984	\$ 4,752
Total liabilities . . . . .	<u>\$ 7,662</u>	<u>\$ 1,074</u>	<u>\$ 3,984</u>	<u>\$ 4,752</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance 12/31/04	Additions	Reductions	Balance 12/31/05
<b>County Public Library</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 1,292,876	\$ 1,292,876	\$ -
Due from other governments . . . . .	99,765	99,764	99,765	99,764
Total assets. . . . .	<u>\$ 99,765</u>	<u>\$ 1,392,640</u>	<u>\$ 1,392,641</u>	<u>\$ 99,764</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 99,765	\$ 1,392,640	\$ 1,392,641	\$ 99,764
Total liabilities. . . . .	<u>\$ 99,765</u>	<u>\$ 1,392,640</u>	<u>\$ 1,392,641</u>	<u>\$ 99,764</u>
<b>Ohio Election Commission</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 1,490	\$ 1,490	\$ -
Total assets. . . . .	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 1,490</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ -	\$ 1,490	\$ 1,490	\$ -
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 1,490</u>	<u>\$ -</u>
<b>Gasoline and License Tax</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 48,409	\$ 1,378,952	\$ 1,333,262	\$ 94,099
Due from other governments . . . . .	497,582	305,113	497,582	305,113
Total assets. . . . .	<u>\$ 545,991</u>	<u>\$ 1,684,065</u>	<u>\$ 1,830,844</u>	<u>\$ 399,212</u>
<b>Liabilities:</b>				
Due to other governments. . . . .	\$ 476,646	\$ 305,113	\$ 476,646	\$ 305,113
Undistributed assets . . . . .	69,345	1,378,952	1,354,198	94,099
Total liabilities. . . . .	<u>\$ 545,991</u>	<u>\$ 1,684,065</u>	<u>\$ 1,830,844</u>	<u>\$ 399,212</u>
<b>Undivided Inheritance Tax</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 66,997	\$ 481,573	\$ 137,345	\$ 411,225
Taxes receivable . . . . .	4,042	143,103	4,042	143,103
Total assets. . . . .	<u>\$ 71,039</u>	<u>\$ 624,676</u>	<u>\$ 141,387</u>	<u>\$ 554,328</u>
<b>Liabilities:</b>				
Due to other governments. . . . .	\$ 4,042	\$ 80,073	\$ 4,042	\$ 80,073
Undistributed assets . . . . .	66,997	544,603	137,345	474,255
Total liabilities. . . . .	<u>\$ 71,039</u>	<u>\$ 624,676</u>	<u>\$ 141,387</u>	<u>\$ 554,328</u>
<b>Undivided Municipal Permissive Tax</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 94,637	\$ 23,801	\$ 20,847	\$ 97,591
Due from other governments . . . . .	1,787	1,761	1,787	1,761
Total assets. . . . .	<u>\$ 96,424</u>	<u>\$ 25,562</u>	<u>\$ 22,634</u>	<u>\$ 99,352</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 96,424	\$ 25,562	\$ 22,634	\$ 99,352
Total liabilities. . . . .	<u>\$ 96,424</u>	<u>\$ 25,562</u>	<u>\$ 22,634</u>	<u>\$ 99,352</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<b>Undivided Real and Personal Property Taxes</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 548,918	\$ 30,842,281	\$ 30,820,728	\$ 570,471
Accounts receivable. . . . .	173	-	173	-
Taxes receivable . . . . .	25,122,867	26,546,675	25,122,867	26,546,675
Total assets. . . . .	<u>\$ 25,671,958</u>	<u>\$ 57,388,956</u>	<u>\$ 55,943,768</u>	<u>\$ 27,117,146</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 25,671,958	\$ 57,388,956	\$ 55,943,768	\$ 27,117,146
Total liabilities. . . . .	<u>\$ 25,671,958</u>	<u>\$ 57,388,956</u>	<u>\$ 55,943,768</u>	<u>\$ 27,117,146</u>
<b>State Housing Trust</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 39,002	\$ 173,234	\$ 166,342	\$ 45,894
Due from other governments . . . . .	-	1,217	-	1,217
Total assets. . . . .	<u>\$ 39,002</u>	<u>\$ 174,451</u>	<u>\$ 166,342</u>	<u>\$ 47,111</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 390	\$ 129,016	\$ 127,730	\$ 1,676
Due to other governments . . . . .	38,612	45,435	38,612	45,435
Total liabilities. . . . .	<u>\$ 39,002</u>	<u>\$ 174,451</u>	<u>\$ 166,342</u>	<u>\$ 47,111</u>
<b>State Settlements</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 13,561	\$ 24,535	\$ 37,945	\$ 151
Total assets. . . . .	<u>\$ 13,561</u>	<u>\$ 24,535</u>	<u>\$ 37,945</u>	<u>\$ 151</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 13,561	\$ 24,535	\$ 37,945	\$ 151
Total liabilities. . . . .	<u>\$ 13,561</u>	<u>\$ 24,535</u>	<u>\$ 37,945</u>	<u>\$ 151</u>
<b>Undivided Cigarette Tax</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 178	\$ 1,240	\$ 1,294	\$ 124
Total assets. . . . .	<u>\$ 178</u>	<u>\$ 1,240</u>	<u>\$ 1,294</u>	<u>\$ 124</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 178	\$ 1,240	\$ 1,294	\$ 124
Total liabilities. . . . .	<u>\$ 178</u>	<u>\$ 1,240</u>	<u>\$ 1,294</u>	<u>\$ 124</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<b>Law Library</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 73,147	\$ 72,925	\$ 222
Accounts receivable. . . . .	3,683	5,471	3,683	5,471
Total assets. . . . .	<u>\$ 3,683</u>	<u>\$ 78,618</u>	<u>\$ 76,608</u>	<u>\$ 5,693</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 3,683	\$ 78,618	\$ 76,608	\$ 5,693
Total liabilities. . . . .	<u>\$ 3,683</u>	<u>\$ 78,618</u>	<u>\$ 76,608</u>	<u>\$ 5,693</u>
<b>Undivided Trailer Tax</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 28,483	\$ 78,432	\$ 88,462	\$ 18,453
Total assets. . . . .	<u>\$ 28,483</u>	<u>\$ 78,432</u>	<u>\$ 88,462</u>	<u>\$ 18,453</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 28,483	\$ 78,432	\$ 88,462	\$ 18,453
Total liabilities. . . . .	<u>\$ 28,483</u>	<u>\$ 78,432</u>	<u>\$ 88,462</u>	<u>\$ 18,453</u>
<b>Undivided Local Government</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 507	\$ 797,945	\$ 798,452	\$ -
Due from other governments . . . . .	159,589	159,691	159,589	159,691
Total assets. . . . .	<u>\$ 160,096</u>	<u>\$ 957,636</u>	<u>\$ 958,041</u>	<u>\$ 159,691</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 160,096	\$ 957,636	\$ 958,041	\$ 159,691
Total liabilities. . . . .	<u>\$ 160,096</u>	<u>\$ 957,636</u>	<u>\$ 958,041</u>	<u>\$ 159,691</u>
<b>Undivided Local Government Revenue</b>				
<b>Assets:</b>				
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>
<b>Liabilities:</b>				
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)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<b>Payroll</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 228,400	\$ 7,891,922	\$ 8,054,037	\$ 66,285
Accounts Receivable . . . . .	-	2,028	-	2,028
Total assets. . . . .	<u>\$ 228,400</u>	<u>\$ 7,893,950</u>	<u>\$ 8,054,037</u>	<u>\$ 68,313</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 228,400	\$ 7,893,950	\$ 8,054,037	\$ 68,313
Total liabilities. . . . .	<u>\$ 228,400</u>	<u>\$ 7,893,950</u>	<u>\$ 8,054,037</u>	<u>\$ 68,313</u>
<b>Alimony and Child Support</b>				
<b>Assets:</b>				
Accounts receivable. . . . .	\$ 104,157	\$ 107,479	\$ 104,157	\$ 107,479
Total assets. . . . .	<u>\$ 104,157</u>	<u>\$ 107,479</u>	<u>\$ 104,157</u>	<u>\$ 107,479</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 104,157	\$ 107,479	\$ 104,157	\$ 107,479
Total liabilities. . . . .	<u>\$ 104,157</u>	<u>\$ 107,479</u>	<u>\$ 104,157</u>	<u>\$ 107,479</u>
<b>Sheriff's Agency</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts . . . . .	\$ 11,055	\$ 102,609	\$ 11,055	\$ 102,609
Total assets. . . . .	<u>\$ 11,055</u>	<u>\$ 102,609</u>	<u>\$ 11,055</u>	<u>\$ 102,609</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 11,055	\$ 102,609	\$ 11,055	\$ 102,609
Total liabilities. . . . .	<u>\$ 11,055</u>	<u>\$ 102,609</u>	<u>\$ 11,055</u>	<u>\$ 102,609</u>
<b>Court Agency</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts . . . . .	\$ 831,398	\$ 861,612	\$ 831,398	\$ 861,612
Total assets. . . . .	<u>\$ 831,398</u>	<u>\$ 861,612</u>	<u>\$ 831,398</u>	<u>\$ 861,612</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 831,398	\$ 861,612	\$ 831,398	\$ 861,612
Total liabilities. . . . .	<u>\$ 831,398</u>	<u>\$ 861,612</u>	<u>\$ 831,398</u>	<u>\$ 861,612</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<b>County Home Patient</b>				
<b>Assets:</b>				
Cash and cash equivalents in segregated accounts . . . . .	\$ 1,000	\$ 990	\$ 1,000	\$ 990
Total assets. . . . .	<u>\$ 1,000</u>	<u>\$ 990</u>	<u>\$ 1,000</u>	<u>\$ 990</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ 1,000	\$ 990	\$ 1,000	\$ 990
Total liabilities. . . . .	<u>\$ 1,000</u>	<u>\$ 990</u>	<u>\$ 1,000</u>	<u>\$ 990</u>
<b>Travel and Tourism</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 168,015	\$ 436,565	\$ 446,519	\$ 158,061
Taxes receivable . . . . .	32,821	28,914	32,821	28,914
Total assets . . . . .	<u>\$ 200,836</u>	<u>\$ 465,479</u>	<u>\$ 479,340</u>	<u>\$ 186,975</u>
<b>Liabilities:</b>				
Undistributed assets. . . . .	\$ 200,836	\$ 465,479	\$ 479,340	\$ 186,975
Total liabilities .. . . .	<u>\$ 200,836</u>	<u>\$ 465,479</u>	<u>\$ 479,340</u>	<u>\$ 186,975</u>
<b>Special Taxing Districts</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 694	\$ 24,030,022	\$ 24,030,022	\$ 694
Total assets. . . . .	<u>\$ 694</u>	<u>\$ 24,030,022</u>	<u>\$ 24,030,022</u>	<u>\$ 694</u>
<b>Liabilities:</b>				
Undistributed assets. . . . .	\$ 694	\$ 24,030,022	\$ 24,030,022	\$ 694
Total liabilities .. . . .	<u>\$ 694</u>	<u>\$ 24,030,022</u>	<u>\$ 24,030,022</u>	<u>\$ 694</u>
<b>Community Care Pooled</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 89,614	\$ 139,714	\$ 116,868	\$ 112,460
Total assets. . . . .	<u>\$ 89,614</u>	<u>\$ 139,714</u>	<u>\$ 116,868</u>	<u>\$ 112,460</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 22,189	\$ 36,720	\$ 22,189	\$ 36,720
Undistributed assets. . . . .	67,425	102,994	94,679	75,740
Total liabilities .. . . .	<u>\$ 89,614</u>	<u>\$ 139,714</u>	<u>\$ 116,868</u>	<u>\$ 112,460</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Balance 12/31/04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/05</b>
<b>Emergency Management Services Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 166,912	\$ 166,912	\$ -
Total assets. . . . .	<u>\$ -</u>	<u>\$ 166,912</u>	<u>\$ 166,912</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Undistributed assets . . . . .	\$ -	\$ 166,912	\$ 166,912	\$ -
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ 166,912</u>	<u>\$ 166,912</u>	<u>\$ -</u>
<b>Family and Children First Council</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 222,699	\$ 667,776	\$ 755,497	\$ 134,978
Total assets. . . . .	<u>\$ 222,699</u>	<u>\$ 667,776</u>	<u>\$ 755,497</u>	<u>\$ 134,978</u>
<b>Liabilities:</b>				
Due to other governments. . . . .	\$ 222,699	\$ 667,776	\$ 755,497	\$ 134,978
Total liabilities. . . . .	<u>\$ 222,699</u>	<u>\$ 667,776</u>	<u>\$ 755,497</u>	<u>\$ 134,978</u>
<i>All Agency Funds</i>				
<b>Assets</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,594,312	\$ 74,344,307	\$ 74,130,134	\$ 2,808,485
Cash and cash equivalents in segregated accounts . . . . .	1,110,916	1,304,476	1,110,916	1,304,476
Taxes receivable . . . . .	25,257,778	26,820,650	25,257,778	26,820,650
Accounts receivable. . . . .	108,013	115,807	108,013	115,807
Due from other governments . . . . .	858,785	669,720	858,785	669,720
Total assets. . . . .	<u>\$ 29,929,804</u>	<u>\$ 103,254,960</u>	<u>\$ 101,465,626</u>	<u>\$ 31,719,138</u>
<b>Liabilities</b>				
Accounts payable . . . . .	\$ 23,579	\$ 88,633	\$ 23,579	\$ 88,633
Due to other governments. . . . .	747,180	1,103,097	1,279,978	570,299
Undistributed assets . . . . .	29,159,045	102,063,230	100,162,069	31,060,206
Total liabilities. . . . .	<u>\$ 29,929,804</u>	<u>\$ 103,254,960</u>	<u>\$ 101,465,626</u>	<u>\$ 31,719,138</u>

## **Statistical Section**



## 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

	2005	2004	2003	2002
Taxes	\$ 10,467,018	\$ 10,092,982	\$ 9,659,393	\$ 8,915,703
Charges for Services	4,026,374	3,421,075	3,383,268	2,767,583
Licenses and Permits	428,563	430,575	349,805	181,563
Fines and Forfeitures	230,515	269,063	206,069	365,747
Intergovernmental	14,853,915	13,418,966	11,659,357	9,692,574
Interest	397,336	269,879	312,680	443,219
Contributions and Donations	105,424	23,307	41,148	54,437
Rentals	184,732	189,369	227,070	52,198
Other	2,237,498	1,021,733	889,009	982,964
Total Revenues	<u>\$ 32,931,375</u>	<u>\$ 29,136,949</u>	<u>\$ 26,727,799</u>	<u>\$ 23,455,988</u>
General Government:				
Legislative and Executive	\$ 4,098,361	\$ 3,735,726	\$ 3,626,437	\$ 3,774,518
Judicial	1,936,747	1,810,633	1,597,405	1,249,785
Public Safety	4,783,569	4,292,574	4,155,483	2,993,221
Public Works	5,487,018	4,601,017	4,354,476	3,484,923
Health	197,542	177,483	153,368	142,226
Human Services	12,444,764	10,860,868	10,811,320	10,017,667
Conservation and Recreation	282,807	340,463	416,699	383,566
Other	17,833	59,724	880	-
Capital Outlay	2,816,753	2,253,388	457,006	820,433
Intergovernmental	227,200	221,255	220,981	221,316
Debt Service	599,831	774,708	610,215	-
Total Expenditures	<u>\$ 32,892,425</u>	<u>\$ 29,127,839</u>	<u>\$ 26,404,270</u>	<u>\$ 23,087,655</u>

\* Amounts for year 2005, 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



2001	2000	1999	1998	1997	1996
\$ 7,792,435	\$ 7,412,426	\$ 7,201,077	\$ 6,767,091	\$ 7,146,650	\$ 6,838,549
3,010,099	3,412,975	3,288,293	2,957,982	2,735,017	2,283,348
176,104	229,542	103,414	80,879	96,695	113,730
337,478	226,374	285,717	285,153	253,483	142,185
10,924,701	11,611,980	10,535,452	9,251,639	8,472,586	6,983,455
727,070	881,550	668,613	601,051	531,718	480,039
55,429	44,098	149,035	304,103	-	-
49,931	56,367	39,545	46,228	78,023	63,997
2,310,329	780,581	817,155	805,901	510,402	1,470,772
<u>\$ 25,383,576</u>	<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>
\$ 4,860,897	\$ 3,717,996	\$ 3,953,343	\$ 3,232,315	\$ 3,347,647	\$ 3,541,989
1,038,722	1,319,260	1,337,266	1,257,178	1,117,124	820,592
2,484,096	2,823,469	2,491,039	2,547,591	2,253,933	2,429,037
3,920,469	3,162,113	2,983,628	2,844,067	2,681,447	3,096,336
141,375	126,965	118,637	119,974	119,241	120,249
11,175,724	10,427,129	8,942,845	8,451,089	7,368,522	6,383,471
356,461	352,149	383,325	252,591	198,849	280,295
-	-	-	-	-	-
1,313,245	1,996,047	1,481,756	651,773	2,339,437	905,035
399,602	217,344	199,637	212,702	135,285	-
10,475	190,015	11,388	12,484	12,480	373,970
<u>\$ 25,701,066</u>	<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>

**HOLMES COUNTY, OHIO**

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

<b>Collection Year</b>	<b>Real Property</b>		<b>Personal Property</b>	
	<b>Assessed Value</b>	<b>Actual Value</b>	<b>Assessed Value</b>	<b>Actual Value</b>
2005	\$ 615,501,660	\$ 1,758,576,171	\$ 100,669,670	\$ 402,678,680
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

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

<b>Public Utility Property</b>		<b>Total</b>		<b>Ratio of Assessed to Actual Value</b>
<b>Assessed Value</b>	<b>Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
\$ 27,239,330	\$ 30,953,784	\$ 743,410,660	\$ 2,192,208,636	33.91%
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%

**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>
2005	\$ 5,622,379	\$ 4,918,764	87.49%	\$ 142,764	\$ 5,061,528	90.02%	\$ 44,346	0.79%
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%

(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>2005</u>	<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>
<b>County Units:</b>										
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>
<b>School Districts within the County:</b>										
East Holmes LSD	26.25	26.30	26.65	26.85	26.40	26.40	26.40	26.70	27.45	27.75
West Holmes LSD	33.00	33.10	33.80	34.10	36.10	36.10	36.10	36.30	37.60	37.70
<b>Overlapping School Districts:</b>										
Danville LSD	44.00	44.60	44.60	44.60	41.00	41.00	41.00	41.00	41.00	42.00
Garaway LSD	52.10	52.65	44.60	44.60	44.80	44.80	44.80	44.80	45.20	44.20
Loudonville-Perrysville EVSD	40.90	41.50	35.00	35.60	35.70	35.70	35.70	36.40	36.80	37.10
Southeast LSD	44.90	44.90	46.15	46.15	47.05	47.05	47.05	48.30	48.30	41.60
Triway LSD	49.90	44.20	44.20	45.20	42.20	42.20	42.20	42.20	42.20	42.20
<b>Overlapping Joint Vocational Schools:</b>										
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	6.40	4.10	4.10	4.10	4.10	4.10	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
<b>Villages:</b>										
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	n/a	11.80	11.90	11.90	11.20	11.20	11.20	11.20
York	n/a	n/a	n/a	6.90	6.90	6.90	6.90	6.90	6.90	6.90
Holmesville	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	1.50	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	1.60
<b>Overlapping Villages:</b>										
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 RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUE) - CONTINUED  
LAST TEN FISCAL YEARS

	<u>2005</u>	<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>
<b>Townships:</b>										
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	4.60
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	6.65	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	7.10	6.60	6.60	6.60	6.60	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	7.10	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Ripley	4.60	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	5.60	4.60	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
<b>Special Districts:</b>										
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	0.54	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Clark Twp. Fire Department	1.75	1.75	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	2.00
Saltcreek Fire District	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Holmes County Auditor

**HOLMES COUNTY, OHIO**

**TANGIBLE TAX COLLECTIONS  
LAST TEN YEARS**

<u>Year</u>	<u>Amount</u>
2005	\$ 1,228,053
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

Source: Holmes County Auditor

**HOLMES COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2005

	<b>Total Voted Debt Limit (1)</b>	<b>Total Unvoted Debt Limit (2)</b>
Assessed Valuation of the County Collection Year 2005 (3)	\$ 743,410,660	\$ 743,410,660
Debt Limitation	17,085,267	7,434,107
Total Outstanding Debt:		
General Obligation Bonds	4,715,000	4,715,000
Revenue Bonds	2,568,000	2,568,000
Total	7,283,000	7,283,000
Exemptions:		
General Obligations Bonds Paid from Rentals	1,260,000	1,260,000
General Obligations Bonds for Jail Construction	2,140,000	2,140,000
Enterprise Bonds	2,568,000	2,568,000
Amount Available in Debt Service Fund	158,440	158,440
Total Exemptions	6,126,440	6,126,440
Net Debt	1,156,560	1,156,560
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$ 15,928,707	\$ 6,277,547

- (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

<b>Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Debt Service Monies Available</b>	<b>Debt Payable from Enterprise Revenues</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Debt to Assessed Value</b>	<b>Net General Bonded Debt Per Capita</b>
2005	38,943	\$ 743,410,660	\$ 7,283,000	\$ 158,440	\$ 2,568,000	\$ 4,556,560	0.61%	117.01
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

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**

<b>Year</b>	<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Total Debt Service</b>	<b>Governmental Fund Expenditures</b>	<b>Ratio of Debt Service to Total General Fund Expenditures</b>
2005	\$ 310,000	\$ 270,470	\$ 580,470	\$ 32,892,425	1.76%
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%

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, 2005

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County (1)</u>	<u>Amount Applicable to County</u>
<b>Direct:</b>			
Holmes County	\$ 4,715,000	100.00%	\$ 4,715,000
Village of Killbuck	32,600	100.00%	32,600
Hardy Township	25,520	100.00%	25,520
Total Direct	<u>4,773,120</u>		<u>4,773,120</u>
<b>Overlapping:</b>			
Village of Baltic	170,803	44.59%	76,161
Danville School District	1,506,000	4.85%	73,041
East Holmes School District	2,940,000	99.70%	2,931,180
Garaway School District	1,265,000	2.03%	25,680
West Holmes School District	13,304,987	95.17%	12,662,356
Ashland-West Holmes Career Center JVSD	70,000	27.00%	18,900
Knox County Career Center JVSD	216,060	0.21%	454
Knox County Library District	930,000	0.26%	2,418
Total Overlapping	<u>20,402,850</u>		<u>15,790,189</u>
Total	<u><u>25,175,970</u></u>		<u><u>20,563,309</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)

Year	Gross Revenue (2)	Operating Expenses Net of Depreciation Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Sewer District Enterprise Fund							
2005	\$ 731,394	\$ 400,580	\$ 330,814	\$ 34,000	\$ 94,199	\$ 128,199	2.58
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							
2005	\$ 25,690,208	\$ 24,042,846	\$ 1,647,362	\$ 906,835	\$ 51,737	\$ 958,572	1.72
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

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>
2005	38,943	4,647	3.80%
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%

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**

<b>Year</b>	<b>New Construction</b>			<b>Real Property Value (1)</b>			<b>Bank Deposits (2)</b>
	<b>Agricultural/ Residential</b>	<b>Commercial/ Industrial</b>	<b>Total New Construction</b>	<b>Agricultural/ Residential</b>	<b>Commercial/ Industrial</b>	<b>Tax Exempt</b>	
2005	\$ 19,046,320	\$ 5,438,460	\$ 24,484,780	\$ 500,539,380	\$ 111,288,760	\$ 40,145,230	\$ 630,248
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

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, 2005**

<u><b>Taxpayer</b></u>	<u><b>Type</b></u>	<u><b>Assessed Valuation</b></u>	<u><b>Percent of Total County Assessed Valuation</b></u>
Columbia Gas	Public Utility	\$ 8,132,080	1.09%
Ohio Power Company	Public Utility	5,885,840	0.79%
Wayne Door Corp.	Manufacturer	5,398,730	0.73%
Holmes Wayne Electric	Public Utility	4,911,870	0.66%
Walnut Hills	Business	3,412,320	0.46%
United Telephone Company	Public Utility	3,158,210	0.42%
Richard C Brunn Trustee	Business	2,258,760	0.30%
Merillat Corporation	Business	2,234,070	0.30%
Wal-Mart Real Estate	Business	2,061,240	0.28%
The Dutch Corporation	Business	1,986,020	0.27%
Total		<u>\$ 39,439,140</u>	<u>5.30%</u>
Total County Assessed Valuation		<u>\$ 743,410,660</u>	

Source: Holmes County Auditor

**HOLMES COUNTY, OHIO**

MISCELLANEOUS STATISTICS

DECEMBER 31, 2005

<b><i>Year of Incorporation</i></b>	1825	<b><u>Agriculture (3):</u></b>	
1,729 Largest County in the United States (3,141 Counties in U.S.)		Number of Farms	1,780
County Seat: Millersburg, Ohio		Average Size of Farm (Acres)	109
		Land in Farms (Acres)	194,000
		<b><u>Livestock (Head):</u></b>	
Area- Square Miles	424	All Cattle	53,400
		Milk Cows	16,000
<b><u>Number of Political Subdivisions Located in the County:</u></b>		Hogs and Pigs	17,600
Townships	14	Sheep and Lambs	2,700
Villages	7		
School Districts	7	<b><u>Crops (Acres):</u></b>	
Joint Vocational Schools	4	Corn	22,400
Library	1	Wheat	2,300
Fire Districts	4	Soybeans	13,600
Park Districts	1	Oats	6,200
		Hay	38,600
<b><u>Road Mileage (1):</u></b>		<b><u>Agricultural Sales (2005 Data)</u></b>	
U.S. and State Highways	174.44	Poultry/Other Livestock Income	\$ 46,792,000
County Highways	249.87	Total Cash Farm Marketing	\$ 102,313,000
Township Highways	565.37	Average Cash Receipts per Farm	\$ 57,479
		Average Cash Marketings per Acre	\$ 527
<b><u>Communications:</u></b>		Average age of farm operator	47.2 years
1 Radio Station - WKLM 95.3 FM			
2 Weekly Newspapers - Holmes Co. Hub & Holmes County Journal			
<b><u>Voter Statistics, Election of November 2005 (2):</u></b>		Holmes County sold 204,800,000 pounds of milk in 2005.	
Number of Registered Voters	17,845		
Number of Voters, Last General Election	7,346		
Percentage of Registered Voters Voting	41.17%		

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**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
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 28, 2006**