



Mary Taylor, CPA
Auditor of State

HOLMES COUNTY
TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
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	3
Federal Awards Expenditures Schedule	7
Notes to the Federal Awards Expenditures Schedule	8
Schedule of Findings.....	9
Schedule of Prior Audit Findings.....	18

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Mary Taylor, CPA

Auditor of State

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, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 25, 2007 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. We also noted County Home Auxiliary monies held outside the County Treasury were added to the major County Home Fund. In addition, we noted the County's Hospital Foundation was added to the major Hospital Fund. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal controls over financial reporting: 2006-001 through 2006-003 and 2006-009 and 2006-010.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2006-001 and 2006-003 are also material weaknesses.

We also noted certain internal control matters that we reported to the County's management in a separate letter dated August 14, 2007.

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 2006-001 and 2006-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated August 14, 2007.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the audit committee, management, the County Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 25, 2007



Mary Taylor, CPA

Auditor of State

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, 2006. The summary of auditor's results section of the accompanying Schedule of Findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Holmes County 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, 2006.

However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying Schedule of Findings as items 2006-004 through 2006-008 and 2006-011.

In a separate letter to the County's management dated August 14, 2007, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as findings 2006-004 through 2006-011 to be significant deficiencies.

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings, we consider findings 2006-006 and 2006-007 to be material weaknesses.

We also noted a matter 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 14, 2007.

The County's responses to the findings we identified are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and remaining fund information of Holmes County, (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 25, 2007 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. We also noted County Home Auxiliary monies held outside the County Treasury were added to the major County Home Fund. In addition, we noted the County's Hospital Foundation was added to the major Hospital Fund. 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.

Holmes County
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
Page 3

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, 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

August 14, 2007 except for the Federal Awards Expenditure Schedule which is dated June 25, 2007

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HOLMES COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education_Grants to States	066403-6BSF-2005-P	84.027	\$70,940
Special Education_Preschool Grants	066043-PGSI-2005-P	84.173	45,822
Total Special Education Cluster			<u>116,762</u>
State Grants for Innovative Programs	066043-C2S1-2005	84.298	436
<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	44,115
Total U.S. Department of Education			<u>161,313</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct:</i>			
Community Development Block Grants/State's Program	B-F-04-035-1	14.228	61,338
Community Development Block Grants/State's Program	B-C-04-035-1		53,102
Community Development Block Grants/State's Program	B-F-05-035-1		194,000
Total Community Development Block Grants/State's Program			308,440
HOME Investment Partnerships Program	B-C-04-035-2	14.239	147,985
Total U.S. Department of Housing and Urban Development			<u>456,425</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Ohio Office of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2005-JG-D01-6303	16.738	44,874
Crime Victim Assistance	2006-VA-GEN-E274	16.575	74,214
Total U.S. Department of Justice			<u>119,088</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed through the Ohio Department of Public Safety:</i>			
<i>Homeland Security Cluster:</i>			
State Homeland Security Program	2005-GE-T4-0025	97.073	114,759
Emergency Management Performance Grants	2005-GE-T4-0025	97.067	79,494
Total Homeland Security Cluster			<u>194,253</u>
Pre-Disaster Mitigation Program	N/A	97.047	5,681
Total Federal Emergency Management Agency			<u>199,934</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Social Services Block Grant	N/A	93.667	18,381
Medical Assistance Program	N/A	93.778	581,165
Total U.S. Department of Health and Human Services			<u>599,546</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	N/A	10.555	71,397
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
<i>WIA Cluster:</i>			
WIA Adult Program	N/A	17.258	46,728
WIA Youth Activities	N/A	17.259	44,413
WIA Dislocated Workers	N/A	17.260	23,322
Total U.S. Department of Labor - WIA Cluster			<u>114,463</u>
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
<i>Pass through Ohio Secretary of State</i>			
Election Reform Payments	05-SOS-HAVA-38	39.011	1,830
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	N/A	20.205	44,327
State and Community Highway Safety Grant	HVEC-2007-38	20.600	19,970
Federal Aviation Administration (FAA)			
<i>Direct:</i>			
Airport Improvement Program	3-39-0056-05	20.106	1,382
Airport Improvement Program	3-39-0056-03		5,743
Total Federal Aviation Administration (FAA)			7,125
Total U.S. Department of Transportation			<u>71,422</u>
Total			<u>\$1,795,418</u>

The accompanying notes are an integral part of this schedule.

HOLMES COUNTY

NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2006

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.

NOTE C – HOMELAND SECURITY CLUSTER

The County reported the following federal programs for the Homeland Security Cluster on the Federal Awards Expenditure Schedule. Two programs for the fiscal year fiscal year 2006 were incorporated into the Homeland Security Grant Program (97.067) in accordance with the guidance from the U.S Department of Homeland Security.

<u>CFDA #</u>	<u>Program</u>	<u>Amount</u>
97.073	State Homeland Security Program	\$114,759
97.042	Emergency Management Performance Grant	<u>79,494</u>
97.067	Homeland Security Grant Program	<u>\$194,253</u>

HOLMES COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006

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 weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control 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 weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant:14.228 Homeland Security Cluster: 97.073 and 97.042 Pre-Disaster Mitigation 97.047
<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 2006-001

Noncompliance, Material Weakness and Significant Deficiency

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

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

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

Amounts of less than \$100 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.

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

A board of county commissioners, by resolution, may exempt purchases of \$1,000 or less from the prior certification requirement. The resolution must specify the dollar limit applicable to such purchases and whether it applies to all purchases, is limited to certain classes of purchases, or is limited to specific purchases. The board must notify the county auditor in writing of its intention to adopt such a resolution and the scope of the resolution. The county auditor has 15 days to comment on the resolution before it may be adopted by the board. Where such a resolution has been adopted, any person authorized to make purchases, within 3 business days (or other time limit the commissioners resolve) of making a purchase exempted under the resolution, must file with the county auditor a written or electronic document stating the purpose, amount, appropriation line item and date of the purchase, and the name of the vendor.

FINDING NUMBER 2006-001 (Continued)

Noncompliance, Material Weakness and Significant Deficiency (Continued)

7 of the 25 (28%) expenditures tested were not certified by the County Auditor prior to incurring the obligation. It was also found that none of the exceptions above were utilized for the items found to be in noncompliance. Also, the County has not established limits on blanket certificates as required by the above listed section of Ohio Revised Code.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the County Auditor should certify that funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used.

The County should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The County Auditor should sign the certification at the time the County incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The County Auditor should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

This weakness reduces the likelihood that material noncompliance will be detected in a timely manner by the County.

Officials' Response: A "Then and Now" certificate program was put in place the first of 2007.

FINDING NUMBER 2006-002

Noncompliance and Significant Deficiency

Finding for Recovery Repaid Under Audit

Holmes County Engineers Office Employee Overpayment

Per the County Engineer Personnel Policy Manual Section 5.2J, Vacation "Upon separation from service, an employee will be paid any accrued but unused, vacation leave to his/her credit. Payment will be at the employee's current rate of pay."

The County incorrectly paid Gary Rowe for 302.05 hours of vacation upon retirement, instead of 277.85 hours, which is what he was permitted based on what he earned and per Policy. He was overpaid by 24.2 hours and his rate of pay was \$17.56 per hour resulting in an overpayment of \$424.95.

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 against former employee, Gary Rowe in the amount of \$424.95 and in favor of Holmes County's Motor Vehicle and License Fund.

The former employee, Gary Rowe, repaid \$424.95 on May 15, 2007.

Officials' Response: The former employee repaid the amount he was incorrectly paid upon retirement.

FINDING NUMBER 2006-003

Material Weakness and Significant Deficiency

Capital Assets Additions

A new office building purchased by the county prosecutor and renovations performed on the County Home were not added to the County Auditor's capital asset listing. However, during the audit period these omitted items were added to the capital assets balances on the financial statements by the GAAP converters. However, these items were not added to the County's capital asset detail listings.

Also, several items including buildings, vehicles, equipment and infrastructure that should have been recorded as capital assets additions were excluded from the Capital Asset Listing by the County. These omissions of items accounted for ~\$1,500,000 of audit adjustments.

The County should verify all capital assets are included on their "Fixed Asset Inventory Report". This will help ensure the County's Capital Asset listing is complete/accurate and agrees to the amounts reported on the financial statements.

The County Auditors office should implement a system that is more thorough at reviewing expenditure records and identifying, tracking and recording items that are capital assets. This could help reduce the number of items omitted from the capital assets listing and reduce the number of requires audit adjustments necessary to correct the financial statements.

Officials' Response: An asset reporting program is in place. The Audit Committee will work with departments to work towards accurate reporting.

Significant Deficiencies:

Findings 2006-009 and 2006-010 are also considered Significant Deficiencies but are located under Section 3 Findings for Federal Awards.

3. FINDINGS FOR FEDERAL AWARDS

1. Cash Management

Finding Number	2006-004
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S06-SR05-38-0067/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Noncompliance and Significant Deficiency

Two disbursements of Homeland Security OPS grant funding requested by Holmes County Emergency Management (out of five Homeland Security cash requests tested) were not in compliance with the "30 day cash management requirement". The disbursements were for \$5,325 Homeland Security OPS Grant monies received on 3/15/06 and \$2,560.99 received on 6/5/06 which both were not disbursed until 9/27/06.

Per the Grant Agreement FY 2005 State Homeland Security Program (SHSP), Ops Center under the "Grant Requirements" section, "all funds received must be disbursed by Recipient within (30) days after receipt of funds."

FINDING NUMBER 2006-004 (Continued)

Noncompliance and Significant Deficiency (Continued)

The EMA Department held advanced funds from the federal government beyond the required 30 days. Failure to disburse funds as required by the U.S. Department of Homeland Security could result in a loss or delay of future funding.

The Holmes County EMA Department should disburse advanced funds by the required deadline. This will help reduce the likelihood of future lost funding or delays of federal funds for the County.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

2. Project Cash Requests

Finding Number	2006-005
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S05-SHSP5-38-0238/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Noncompliance and Significant Deficiency

"Project Cash Requests" were often completed with the purchase order (encumbered) cost rather than the actual invoiced costs of items purchased. As a result, the Holmes County EMA did not actually incur some costs which were included on the cash requests or approved budgets.

Per the Grant Agreement FY 2005 State Homeland Security Program (SHSP), County under the "Fiscal Requirements" section, "No request will be submitted until Recipient has a valid invoice or evidence that costs have been properly incurred."

The EMA Department submitted "Project Cash Requests" that often included the encumbered cost of items purchased instead of the actual invoice amount of items. Failure to send the proper invoice amount could result in the loss of future federal funding and require the County to repay funds drawn.

The Holmes County EMA Department should complete cash requests for the actual cost of items purchased. This will help ensure the County is in compliance with the grant requirements and reduce the possibility of over drawing federal funding.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

3. Period of Availability of Federal Funds

Finding Number	2006-006
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S05-SHSP5-38-0238/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Noncompliance, Material Weakness and Significant Deficiency

Non-Federal entities subject to the A-102 Common Rule shall liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline upon request (A-102 Common Rule, §____.23).

The FY 2003 Homeland Security Grant monies were unspent and remained in the County Homeland Security Fund as of FY 2006 when the Ohio EMA and the Department of Public Safety, Internal Audit Division, performed a monitoring review of the Holmes County EMA Department. The unspent funds, totaling \$9,981.16 were ordered to be returned to the Ohio EMA.

The unspent FY 2003 Homeland Security grant monies were properly repaid by the County during FY 2006.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

4. Homeland Security Grant Accounting Records and Support Documentation

Finding Number	2006-007
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S06-SR05-38-0067/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Noncompliance, Material Weakness and Significant Deficiency

Grant documentation was not always maintained and available for inspection by the Holmes County EMA.

Per the grant agreement State Homeland Security Program (SHSP) the Holmes County EMA is required to maintain all accounting records and supporting documents, papers, and other evidence of each project in a separate location. Records of different federal fiscal periods and grants are required to be separately identified and maintained for a period of at least three (3) years after the end of the grant's performance period and close-out of the Notice of Award & Grant agreement

Finding Number	2006-007 (Continued)
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Noncompliance, Material Weakness, and Significant Deficiency (Continued)

By not maintaining grant documentation for the required time period, the County has not met the requirements as established within the grant agreement. This could cause future grant funding to be delayed or discontinued altogether.

The Holmes County EMA should maintain all grant documentation for the required time periods. This will help ensure future funding to the County is not lost or delayed.

Due to the lack of client maintained documentation, Auditor of State staff was still able to satisfy testing requirements by contacting the Ohio EMA and obtaining copies of support documentation submitted by the client for draw-down requests.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

5. Equipment and Real Property Management

Finding Number	2006-008
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S06-SR05-38-0067/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Noncompliance and Significant Deficiency

The Holmes County EMA "ODP/Homeland Security Equipment – Master Inventory List" was not updated for equipment purchased during FY 2006. There was no evidence of the performance of a physical inventory of equipment and reconciliation to County EMA equipment records.

The A-102 Common Rule and OMB Circular A-110 states that equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained.

The County EMA is required to maintain up-to-date equipment records and to perform a physical inventory of equipment purchased with Homeland Security Grant funding at least once every two years and reconcile that inventory to the equipment records. Per review performed by the Ohio EMA, it was noted that equipment listings for items purchased under the State Homeland Security Programs (SHSP) had not been updated.

Failure to properly update and maintain the inventory listing could result in the displacement of items purchased with federal funds. This could result in the future loss of federal Homeland Security funding.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

6. Monitoring Controls

Finding Number	2006-009
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S06-SR05-38-0067/2005 S05-SHSP5-38-0238/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Significant Deficiency

The Holmes County Auditor’s Office submits monthly financial reports to the Holmes County EMA for review and reconciliation to their internal records. However, there was no documentation maintained by the County EMA to evidence that such review and reconciliation was performed.

The Holmes County Emergency Management Agency should review and reconcile the County Auditor’s monthly reports to their internal records and maintain evidence to document their performance of such procedures.

Officials’ Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

7. Homeland Security Grant Funds/Accounts

Finding Number	2006-010
CFDA Title and Number	Homeland Security Cluster: 97.073 and 97.067
Federal Award Number / Year	S06-SR05-38-0067/2005 S05-SHSP5-38-0238/2005
Federal Agency	Federal Emergency Management Agency
Pass-Through Agency	Ohio Department of Public Safety

Significant Deficiency

The Holmes County Auditor’s Office utilizes Special Revenue Fund 69 “The Homeland Security Fund” to account for all Homeland Security grant transactions, including the Homeland Security OPS grant.

The County has not established separate sub-accounts within the fund to separately track the grants by year or type.

Finding Number	2006-010 (Continued)
-----------------------	----------------------

Significant Deficiency (Continued)

By not establishing separate sub-accounts to track grant activity, the County has not met the requirements as established within the grant agreement. This could cause future grant funding to be delayed or discontinued altogether.

The Holmes County Auditor's Office should work with the County EMA to set up sub-accounts within fund S69 "The Homeland Security Fund" to more accurately account for Homeland Security grant awards by grant year and grant type. This will help ensure future federal funding continues for the County.

Officials' Response: The Audit Committee will meet with Emergency Management staff to address the findings and to work towards a corrective action on all findings.

8. Community Development Block Grant Program 15 Day Rule

Finding Number	2006-011
CFDA Title and Number	Community Development Block Grant/State's Program: 14.228
Federal Award Number / Year	B-C-04-035-1 and B-F-04-035-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	N/A

Noncompliance and Significant Deficiency

The OHCP Management Rules and Regulations, section (A)(3)(f)) requires that Grantees must develop a cash management system to ensure compliance with the Fifteen-Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any funds.

The County maintained a balance greater than or equal to \$5,000 for FY04 CDBG Grant # B-C-04-03501 which exceeded the 15 day maximum period allowable from 4/6/2006 - 4/26/2006 (\$11,417) and 8/14/2006 - 9/12/2006 (\$25,780 to \$12,770).

The County maintained a balance greater than or equal to \$5,000 for FY04 Formula Allocation CDBG Grant #B-F-04-035-1 which exceeded the 15 day maximum period allowable from 4/25/2006 - 5/17/2006 (\$5,804).

Maintaining balances in excess of the required \$5,000 for periods greater than 15 days could cause delays or disruptions in future federal funding.

The County should review its draw-down balances to ensure only necessary amounts that can be expended in the required time frame are requested.

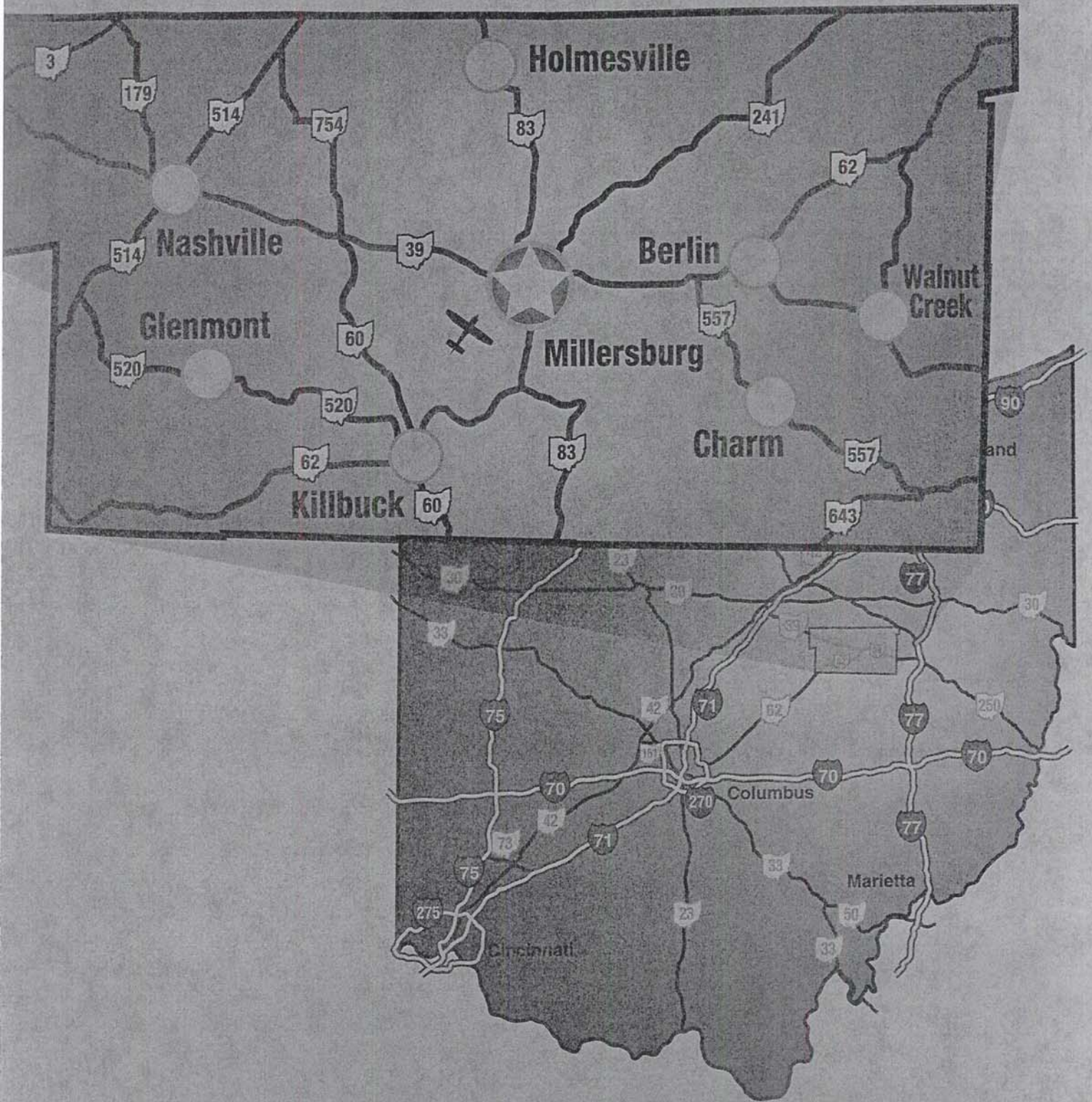
Officials' Response: We are aware of the 15 day rule and will attempt to comply in the future.

HOLMES COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Rev. Code 5705.42 requires, that grants or money paid on behalf are deemed appropriated and should be recorded as such.	Partially	Reported in the Management Letter for FY 06.
2005-002	The Rails to Trails Agreement between the County Commissioners and the Rails to Trails Coalition should be monitored by the Commissioners to ensure the agreement is being followed in accordance with the intent as documented in the agreement.	No	Finding No Longer Valid as the administration and ownership of the Trail has now been passed on to the Park District.
2005-003	A Holmes County Clerk of Court Employee was overpaid in a severance payment at retirement by \$561.24.	Yes	Corrected. The former employee repaid the overpayment amount of \$561.24 prior to the completion of the 2005 audit.

Holmes County Ohio



Comprehensive Annual Financial Report
For The Year Ended December 31, 2006

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

HOLMES COUNTY, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2006

PREPARED BY
AUDITOR'S OFFICE
JACKIE MCKEE, AUDITOR

HOLMES COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006
TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittal.....	I 1-6
GFOA Certificate of Achievement.....	I 7
Elected Officials.....	I 8
Organization Chart.....	I 9

II. FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' REPORT.....	F 1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	F 3-16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	F 18-19
Statement of Activities.....	F 20-21
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	F 22-23
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	F 24
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	F 26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F 28
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non GAAP Budgetary Basis):	
General Fund.....	F 29
County Board of MR/DD.....	F 30
Motor Vehicle License and Gas Tax.....	F 31
County Home.....	F 32
Public Assistance.....	F 33
Statement of Net Assets - Enterprise Funds.....	F 34-35
Statement of Revenues, Expenses and Changes in Fund Net Assets - Enterprise Funds.....	F 36-37

HOLMES COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006
TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS - (Continued):

Statement of Cash Flows - Enterprise Funds	F 38-41
Statement of Fiduciary Net Assets - Fiduciary Fund	F 42
Notes to the Basic Financial Statements	F 43-89

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements and Individual Fund Schedules - Governmental Funds:

Fund Descriptions - Governmental Funds	F 92-95
Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis): General Fund	F 96-101
Combining Balance Sheet - Nonmajor Governmental Funds	F 102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F 103
Combining Balance Sheet - Nonmajor Special Revenue Funds	F 104-111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	F 112-120

Schedules of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual (Non-GAAP Budgetary Basis):

County Board of MR/DD Fund	F 121
Motor Vehicle License and Gas Tax Fund	F 122
County Home Fund	F 123
Public Assistance Fund	F 124
Dog and Kennel Fund	F 125
Child Support Enforcement Fund	F 126
Work Enforcement Act Fund	F 127
Child Neglect and Abuse Fund	F 128
Real Estate Assessment Fund	F 129
Delinquent Real Estate Collection Fund	F 130
Delinquent Real Estate Prosecutor Fund	F 131
ODNR Grant Fund	F 132
Victims Assistance Fund	F 133
Jury Administration Fund	F 134
License Bureau Fund	F 135
Victims Advocacy/Office of Criminal Justice Fund	F 136
911 Wireless Project Fund	F 137
Indigent Guardianship Fund	F 138
General Special Projects - Common Pleas Fund	F 139
Sheriff Concealed Handgun License Fund	F 140

HOLMES COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006
TABLE OF CONTENTS

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Education and Enforcement Fund.....	F 141
Help America Vote Act Fund.....	F 142
911 Fund.....	F 143
Special Projects Fund.....	F 144
Employee Expended Fund.....	F 145
Transportation Coordination Fund.....	F 146
Certificate Title Administration Fund.....	F 147
Sheriff's Overtime Block Grant Fund.....	F 148
Courthouse Security Grant Fund.....	F 149
Youthful Impaired Driver Fund.....	F 150
Federal Equitable Sharing Fund.....	F 151
Scenic Byways Fund.....	F 152
Community Development Grant Fund.....	F 153
Community Development/1999 Grant Fund.....	F 154
Domestic Violence Fund.....	F 155
Jail Kitchen Fund.....	F 156
Indigent Drivers Alcohol Fund.....	F 157
Tax Map Fund.....	F 158
Probate Court Conduct of Business Fund.....	F 159
Disaster Services Fund.....	F 160
Community Housing Improvement Fund.....	F 161
Youth Services Subsidy Grant Fund.....	F 162
Recycling and Litter Fund.....	F 163
Children Services Fund.....	F 164
Community Corrections Fund.....	F 165
Debt Service Fund.....	F 166
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	F 168-169
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	F 170-171
Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
Mental Retardation Capital Fund.....	F 172
Capital Improvements Fund.....	F 173
Landfill Capital Projects Fund.....	F 174
Capital Computerization Fund.....	F 175
Recorder's Equipment Fund.....	F 176
Combining Statements and Individual Fund Schedules - Proprietary Funds:	
Fund Descriptions - Proprietary Funds.....	F 177

HOLMES COUNTY, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006
TABLE OF CONTENTS**

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Schedules of Revenues, Expenses and Changes in Fund Equity-
Budget and Actual (Non-GAAP Budgetary Basis):

Sewer District Fund	F 178
County Disposal Fund	F 179
East Holmes Water Fund	F 180

Combining Statements - Fiduciary Funds

Fund Descriptions	F 181
Combining Statement of Changes in Assets and Liabilities - Agency Funds	F 182-188

III. STATISTICAL SECTION

Net Assets by Component – Last Four Fiscal Years	S 2
Changes in Net Assets – Last Four Fiscal Years	S 3-5
Fund Balances, Governmental Funds - Last Ten Fiscal Years	S 6-7
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	S 8-9
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	S 10-11
Property Tax Rates - Direct and Overlapping Governments (Per \$1,000 of Assessed Value) - Last Ten Fiscal Years	S 12-13
Principal Tappayers - Real Estate Tax - Current Year and Nine Years Ago	S 14
Principal Tappayers - Tangible Personal Property Tax - Current Year and Eight Years Ago	S 15
Principal Tappayers - Public Utility Tangible Personal Property Tax - Current Year and Nine Years Ago	S 16
Sales Tax Revenue By Industry - Current Year	S 17
Property Tax Levies and Collections - Real and Public Utility Taxes - Last Ten Fiscal Years	S 18
Ratio of Outstanding Debt By Type	S 19
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Bonded Debt per Capita - Last Ten Fiscal Years	S 20

HOLMES COUNTY, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006
TABLE OF CONTENTS**

STATISTICAL SECTION - (Continued):

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Fiscal Years.....	S 21
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S 22
Computation of Legal Debt Margin	S 23
Demographic and Economic Statistics - Last Ten Fiscal Years	S 24
Construction, Bank Deposits, and Property Values - Last Ten Years	S 25
Full Time Equivalent County Government Employees By Function/Program - Last Seven Fiscal Years	S 27
Operating Indicators and Capital Asset Statistics By Function - Last Ten Fiscal Years	S 28-35

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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 25, 2007

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, 2006. 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, 2006. 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, considerations are made to assess the internal control structure in relation to the financial statements, 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, 2006 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, and all departments and activities that are directly operated by the elected County officials.

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

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

The County is also associated with the following organizations:

Joint Ventures Without Equity Interest

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

Jointly Governed Organizations

Multi-County Juvenile Attention Center
Stark Regional Community Corrections Center
Holmes County Family and Children First Council
Medway Drug Enforcement Agency

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.

2006 was the thirteenth 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 2006 for the bed tax increased compared to the previous year; \$322,639 in 2005 to \$343,326 in 2006. A total of \$108,500 was distributed to organizations for community projects including \$40,000 to Holmes County Chamber and \$10,000 to Classic in the Country.

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 Trails – Complete 11 miles of biking/buggy/walking trail from Millersburg to Fredericksburg

Wayne Dalton Corporation – has completed a \$15 million expansion and added approximately 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.

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

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

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

Walnut Creek Waste Water Treatment Phase 2 - \$700,000 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, 2006, by independent auditor, Mary Taylor, 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, 2005. This was the fourteenth 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,

A handwritten signature in black ink that reads "Jackie McKee". The signature is written in a cursive style with a large initial "J" and "M".

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, 2005

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



President

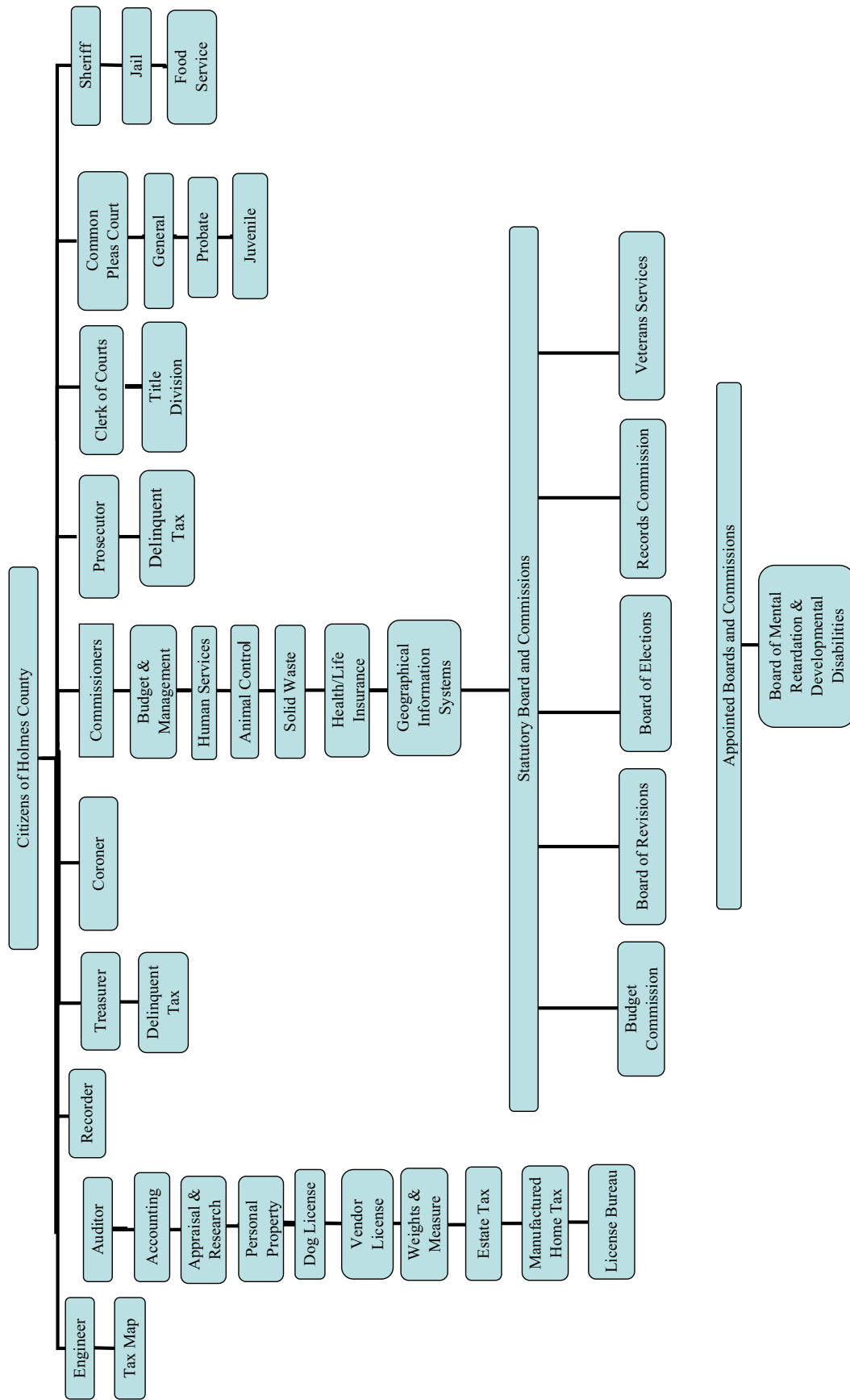
Executive Director

HOLMES COUNTY, OHIO

**ELECTED OFFICIALS
DECEMBER 31, 2006**

Commissioner David L. Hall
Commissioner Joe Miller
Commissioner Ray Feikert
Auditor. Jackie McKee
Treasurer. Joyce L. Yoder
Prosecuting Attorney Stephen Knowling
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



Mary Taylor, CPA

Auditor of State

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, 2006, 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 Hospital, a major Enterprise Fund, which represent 80 percent, 98 percent and 97 percent, respectively, of the assets, net assets and revenues of the County's business-type activities. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Joel Pomerene 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 the Comptroller General of the United States' *Government Auditing Standards*. 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, 2006, and the respective changes in financial position and where applicable cash flows, thereof and the respective budgetary comparisons for the General, Special Revenue County Board of MR/DD, Motor Vehicle License and Gas Tax, County Home and Public Assistance 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 added the Hospital Foundation to the major Hospital Fund and added County Home Auxiliary monies held outside the County Treasury to the major County Home Fund. Fund balance/net assets at January 1, 2006 have been restated as a result of these additions.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2007, 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 and the other auditors 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the Introductory Section and Statistical Tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 25, 2007

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 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, 2006. 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 2006 are as follows:

- The total net assets of the County decreased \$1,352,931. Net assets of governmental activities decreased \$1,619,490, which represents a 4.66% decrease over fiscal year 2005. Net assets of business-type activities increased \$266,559 or 1.13% from fiscal year 2005.
- General revenues accounted for \$13,787,746 or 45.36% of total governmental activities revenue. Program specific revenues accounted for \$16,275,579 or 53.55% of total governmental activities revenue. Special items consisting of a gain from sale of land totaled \$332,259 or 1.09% of total governmental activities revenue.
- The County had \$28,881,985 in expenses, special items consisting of donations of land and land improvements of \$2,755,690 and cash donations of \$377,399, related to governmental activities; \$16,275,579 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,787,746 were not adequate to provide for these programs.
- The General fund, the County's largest major governmental fund, had revenues and special items of \$10,638,674 in 2006, an increase of \$492,409 or 4.85% from 2005 revenues. The General fund, had expenditures, other financing uses and special items of \$10,535,837 in 2006, an increase of \$500,655 or 4.99% from 2005. The net changes in revenues and expenditures contributed to the General fund balance increase of \$102,837 or 6.33% from 2005 to 2006.
- The County Board of Mental Retardation and Developmentally Disabled (MR/DD) fund, a major governmental fund, had revenues and other financing sources of \$5,528,358 in 2006, an increase of \$70,438 or 1.29% from 2005 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$5,374,731 in 2006, an increase of \$144,098 or 2.75% from 2005. The net changes in revenues and expenditures contributed to the County Board of MR/DD fund balance increase of \$153,627 or 7.49% from 2005 to 2006.
- The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$4,175,200 in 2006, a decrease of \$728,906 or 14.86% from 2005 revenues. The Motor Vehicle License and Gas Tax fund, had expenditures of \$4,791,597 in 2006, an increase of \$462,934 or 10.69% from 2005. The decrease in revenues and the increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance decrease of \$616,397 or 22.36% from 2005 to 2006.
- The County Home fund, a major governmental fund, had revenues of \$1,728,576 in 2006. The County Home fund, had expenditures of \$1,548,461 in 2006. The County Home fund balance increased \$180,115 or 74.24% from 2005 to 2006.
- The Public Assistance fund, a major governmental fund, had revenues and other financing sources of \$3,800,207 in 2006. The Public Assistance fund, had expenditures of \$3,667,292 in 2006. The Public Assistance fund balance increased \$132,915 or 17.11% from 2005 to 2006.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

- 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 2006 by \$266,559 or 1.13%. 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 \$1,440,433 higher than they were originally budgeted and actual expenditures and financing uses were \$382,197 higher than the amount in the original budget. These variances are a result of the County's conservative budgeting process.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities answer the question, "How did we do financially during 2006?" 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.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006 UNAUDITED

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.

The County's major governmental funds are the General fund, Motor Vehicle License and Gas Tax, County Board of Mental Retardation and Developmentally Disabled (MR/DD), County Home and Public Assistance. 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 F11.

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 expendable resources, as well as on balances of expendable 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-F33 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.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

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-F89 of this report.

Government-Wide Financial Analysis

The Statement of Net Assets provides the perspective of the County as a whole. The table below provides a summary of the County's net assets for 2006 and 2005.

	Net Assets					
			Restated			
	Governmental Activities 2006	Business-type Activities 2006	Governmental Activities 2005	Business-type Activities 2005	2006 Total	2005 Total
<u>Assets</u>						
Current and other assets	\$ 20,528,015	\$ 17,431,796	\$ 20,888,149	\$ 16,328,795	\$ 37,959,811	\$ 37,216,944
Capital assets	<u>25,325,244</u>	<u>15,302,060</u>	<u>26,919,163</u>	<u>15,253,077</u>	<u>40,627,304</u>	<u>42,172,240</u>
Total assets	<u>45,853,259</u>	<u>32,733,856</u>	<u>47,807,312</u>	<u>31,581,872</u>	<u>78,587,115</u>	<u>79,389,184</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	5,463,498	6,317,381	5,753,529	5,765,716	11,780,879	11,519,245
Other liabilities	<u>7,242,438</u>	<u>2,482,666</u>	<u>7,286,970</u>	<u>2,148,906</u>	<u>9,725,104</u>	<u>9,435,876</u>
Total liabilities	<u>12,705,936</u>	<u>8,800,047</u>	<u>13,040,499</u>	<u>7,914,622</u>	<u>21,505,983</u>	<u>20,955,121</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	20,903,244	12,332,684	22,204,163	12,353,511	33,235,928	34,557,674
Restricted	10,309,360	1,694,355	10,609,312	-	12,003,715	10,609,312
Unrestricted	<u>1,934,719</u>	<u>9,906,770</u>	<u>1,953,338</u>	<u>11,313,739</u>	<u>11,841,489</u>	<u>13,267,077</u>
Total net assets	<u>\$ 33,147,323</u>	<u>\$ 23,933,809</u>	<u>\$ 34,766,813</u>	<u>\$ 23,667,250</u>	<u>\$ 57,081,132</u>	<u>\$ 58,434,063</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the County's assets exceeded liabilities by \$57,081,132. This amounts to \$33,147,323 in governmental activities and \$23,933,809 in business-type activities. The County's finances remained strong during 2006, despite the decline in the economy.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 51.70% 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, 2006, were \$33,235,928. 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, 2006, 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 governmental activities net assets, \$10,309,360 or 31.10%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net assets of \$1,934,719 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, 2006
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2006 and 2005.

	Change in Net Assets					
	Governmental Activities 2006	Business-type Activities 2006	Governmental Activities 2005	Business-type Activities 2005	2006 Total	2005 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 5,418,336	\$ 30,570,768	\$ 4,507,187	\$ 26,547,654	\$ 35,989,104	\$ 31,054,841
Operating grants and contributions	10,857,243	-	11,823,905	1,010,865	10,857,243	12,834,770
Capital grants and contributions	-	-	2,301,663	-	-	2,301,663
Total program revenues	<u>16,275,579</u>	<u>30,570,768</u>	<u>18,632,755</u>	<u>27,558,519</u>	<u>46,846,347</u>	<u>46,191,274</u>
General revenues:						
Property taxes	6,240,765	-	6,385,560	-	6,240,765	6,385,560
Sales tax	4,271,824	-	4,442,924	-	4,271,824	4,442,924
Unrestricted grants	1,034,329	-	953,881	-	1,034,329	953,881
Investment earnings	609,078	353,162	397,310	25,709	962,240	423,019
Employee lease revenue	-	1,358,879	-	-	1,358,879	-
Other	1,631,750	104,995	2,237,498	53,022	1,736,745	2,290,520
Total general revenues	<u>13,787,746</u>	<u>1,817,036</u>	<u>14,417,173</u>	<u>78,731</u>	<u>15,604,782</u>	<u>14,495,904</u>
Total revenues	<u>30,063,325</u>	<u>32,387,804</u>	<u>33,049,928</u>	<u>27,637,250</u>	<u>62,451,129</u>	<u>60,687,178</u>
Expenses						
Program Expenses:						
General government						
Legislative and executive	4,835,372	-	4,307,187	-	4,835,372	4,307,187
Judicial	1,635,998	-	1,982,537	-	1,635,998	1,982,537
Public safety	3,615,617	-	4,883,558	-	3,615,617	4,883,558
Public works	5,440,623	-	5,510,580	-	5,440,623	5,510,580
Health	185,419	-	220,165	-	185,419	220,165
Human services	12,375,027	-	12,144,961	-	12,375,027	12,144,961
Conservation and recreation	320,920	-	377,696	-	320,920	377,696
Intergovernmental	227,200	-	227,200	-	227,200	227,200
Other	-	-	17,833	-	-	17,833
Interest and fiscal charges	245,809	-	279,275	-	245,809	279,275
Sewer District	-	897,629	-	695,417	897,629	695,417
County Disposal	-	566,513	-	714,376	566,513	714,376
Joel Pomerene Hospital	-	30,651,830	-	25,396,163	30,651,830	25,396,163
Nonmajor:						
East Holmes Water	-	5,273	-	7,290	5,273	7,290
Total expenses	<u>28,881,985</u>	<u>32,121,245</u>	<u>29,950,992</u>	<u>26,813,246</u>	<u>61,003,230</u>	<u>56,764,238</u>
Excess revenues over expenses	1,181,340	266,559	3,098,936	824,004	1,447,899	3,922,940
Special items, net (see Note 2.U.)	(2,800,830)	-	-	-	(2,800,830)	-
Transfers	-	-	(267,254)	267,254	-	-
Change in net assets	<u>(1,619,490)</u>	<u>266,559</u>	<u>2,831,682</u>	<u>1,091,258</u>	<u>(1,352,931)</u>	<u>3,922,940</u>
Net assets at						
beginning of year (restated)	<u>34,766,813</u>	<u>23,667,250</u>	<u>31,935,131</u>	<u>22,575,992</u>	<u>58,434,063</u>	<u>54,511,123</u>
Net assets at end of year	<u>\$ 33,147,323</u>	<u>\$ 23,933,809</u>	<u>\$ 34,766,813</u>	<u>\$ 23,667,250</u>	<u>\$ 57,081,132</u>	<u>\$ 58,434,063</u>

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED**

Governmental Activities

Governmental net assets decreased by \$1,619,490 in 2006 from 2005. The decrease in net assets was primarily due to the donations of land improvements and cash from the County to the Park District.

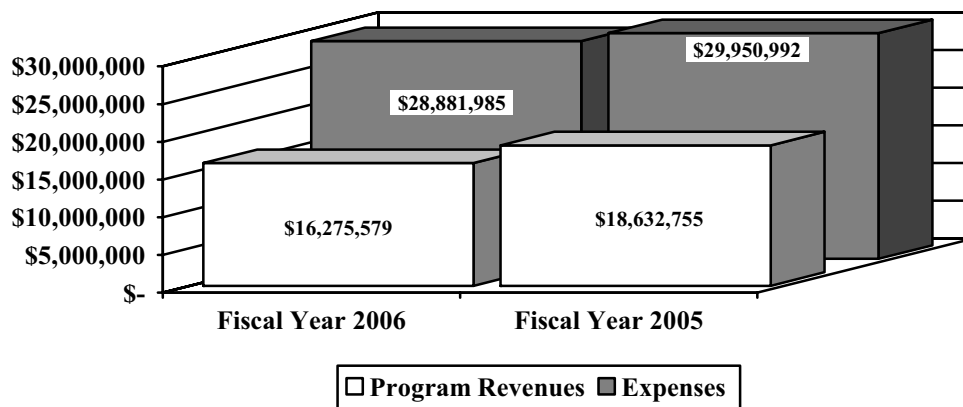
Human services, which supports the operations of the County Home, County Board of MR/DD, Job and Family Services (Public Assistance), Veteran Services, and the Children Services Board, accounts for \$12,375,027 of expenses, or 42.85% of total governmental expenses of the County. These expenses were funded by \$1,027,538 in charges to users of services in 2006. General government expenses which includes legislative and executive and judicial programs, accounted for \$6,471,370 or 22.41% of total governmental expenses. General government expenses were covered by \$2,835,467 of direct charges to users in 2006.

The state and federal government contributed to the County revenues of \$10,857,243 in operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total, operating grants and contributions, \$5,903,908, or 54.38%, subsidized human services programs.

General revenues totaled \$13,787,746, and amounted to 45.36% of total revenues. These revenues primarily consist of property and sales tax revenue of \$10,512,589 or 76.25% of total general revenues in 2006. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with local government and local government revenue assistance making up \$1,034,329, or 7.50% 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 2006 and 2005. 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

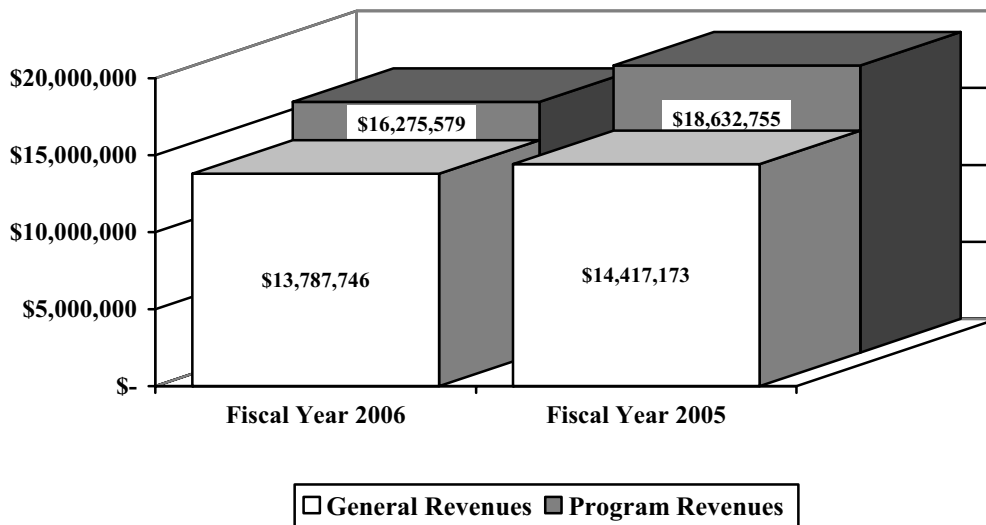
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2005
Program Expenses:				
General government				
Legislative and executive	\$ 4,835,372	\$ 2,214,470	\$ 4,307,187	\$ 1,408,624
Judicial	1,635,998	1,246,005	1,982,537	1,610,167
Public safety	3,615,617	3,228,742	4,883,558	4,275,483
Public works	5,440,623	(355,660)	5,510,580	(599,141)
Health	185,419	44,339	220,165	76,223
Human services	12,375,027	5,443,581	12,144,961	5,388,514
Conservation and recreation	320,920	311,920	377,696	(1,365,941)
Intergovernmental	227,200	227,200	227,200	227,200
Other	-	-	17,833	17,833
Interest and fiscal charges	245,809	245,809	279,275	279,275
Total	\$ 28,881,985	\$ 12,606,406	\$ 29,950,992	\$ 11,318,237

The dependence upon general revenues for governmental activities is apparent, with 43.65% of expenses supported through taxes and other general revenues during 2006. The graph below illustrates the County's reliance upon general revenues.

Governmental Activities – General and Program Revenues



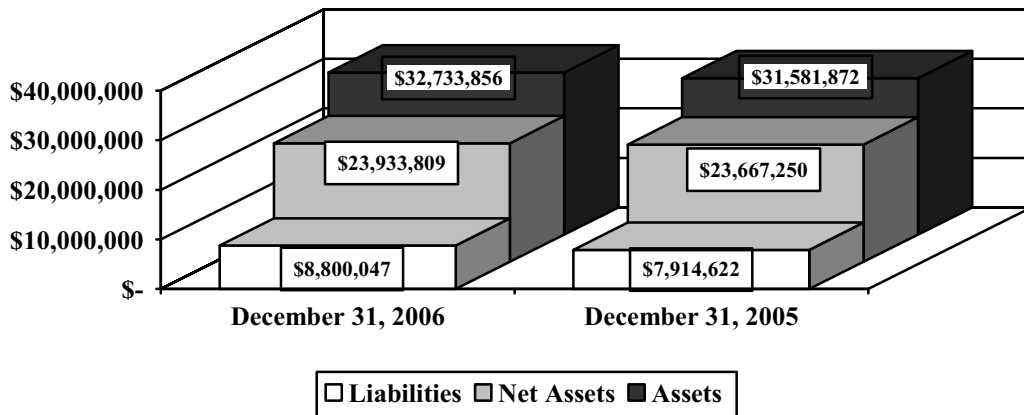
HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
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 \$30,570,768, general revenues of \$1,817,036, and expenses of \$32,121,245 for fiscal year 2006. The net assets of the enterprise funds increased \$266,559 or 1.13% during 2006. The following graph illustrates the assets, liabilities and net assets of the County's business-type activities at December 31, 2006 and 2005:

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 \$11,158,372, which is \$95,090 higher than last year's total of \$11,063,282. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2006 for all major and non-major governmental funds.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

	Fund Balances <u>12/31/06</u>	Restated Fund Balances <u>12/31/05</u>	Increase <u>(Decrease)</u>
Major funds:			
General	\$ 1,726,379	\$ 1,623,542	\$ 102,837
County Board of MR/DD	2,205,439	2,051,812	153,627
Motor Vehicle License and Gas Tax	2,140,527	2,756,924	(616,397)
County Home	422,711	242,596	180,115
Public Assistance	909,763	776,848	132,915
Other nonmajor governmental funds	<u>3,753,553</u>	<u>3,611,560</u>	<u>141,993</u>
 Total	 <u>\$ 11,158,372</u>	 <u>\$ 11,063,282</u>	 <u>\$ 95,090</u>

General Fund

The County's general fund balance increased \$102,837, primarily due to the net change in expenditures and revenues. The table that follows assists in illustrating the revenues of the general fund.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 6,173,938	\$ 6,076,693	1.60 %
Charges for services	1,736,411	1,726,942	0.55 %
Licenses and permits	102,426	86,353	18.61 %
Fines and forfeitures	104,009	94,639	9.90 %
Intergovernmental	1,033,071	983,230	5.07 %
Investment income	526,985	328,182	60.58 %
Other	<u>554,435</u>	<u>850,226</u>	(34.79) %
 Total	 <u>\$ 10,231,275</u>	 <u>\$ 10,146,265</u>	 0.84 %

Tax revenue represents 60.34% of all general fund revenue. Tax revenue increased slightly by 1.60% over prior year. The increase in investment income is due to increasing interest rates throughout the year. License and permit revenue increased 18.61% from prior year primarily due to and increase in cash collections for certificates of title. Fines and forfeitures increased 9.90% primarily due to the increase in County Court fees and Juvenile Court fees collect during the year. Other revenues reduced 34.79% after a 54.61% increase in 2005 due to the return of local funding from the Children Services fund. The 2006 revenue in "Other" is now comparable to years prior to 2005 and shows only a 0.82% increase from 2004. All other revenue remained comparable to 2005.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

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

<u>Expenditures</u>	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
General government			
Legislative and executive	\$ 3,670,330	\$ 2,656,583	38.16 %
Judicial	1,447,388	1,796,657	(19.44) %
Public safety	3,299,755	3,765,961	(12.38) %
Public works	59,183	55,634	6.38 %
Health	67,678	65,411	3.47 %
Human services	299,333	338,620	(11.60) %
Conservation and recreation	285,593	236,413	20.80 %
Intergovernmental	227,200	227,200	- %
Other	-	17,833	(100.00) %
Total	<u>\$ 9,356,460</u>	<u>\$ 9,160,312</u>	2.14 %

The most significant increases were in the areas of legislative and executive general government. The increase in legislative and executive was primarily due to a change in accounting for health care expenditures on a GAAP-basis. This change also affected the decrease in judicial general government, public safety and human services. Total expenditures increased \$196,148 or 2.14%. All other expenditures remained comparable to 2005.

County Board of MR/DD

The County Board of Mental Retardation and Developmentally Disabled (MR/DD) fund, a major governmental fund, had revenues and other financing sources of \$5,528,358 in 2006, an increase of \$70,438 or 1.29% from 2005 revenues. The County Board of MR/DD fund, had expenditures and other financing uses of \$5,374,731 in 2006, an increase of \$144,098 or 2.75% from 2005. The net changes in revenues and expenditures contributed to the County Board of MR/DD fund balance increase of \$153,627 or 7.49% from 2005 to 2006.

Motor Vehicle License and Gas Tax Fund

The Motor Vehicle License and Gas Tax fund, a major governmental fund, had revenues of \$4,175,200 in 2006, a decrease of \$728,906 or 14.86% from 2005 revenues. The Motor Vehicle License and Gas Tax fund, had expenditures of \$4,791,597 in 2006, an increase of \$462,934 or 10.69% from 2005. The decrease in revenues and the increase in expenditures contributed to the Motor Vehicle License and Gas Tax fund balance decrease of \$616,397 or 22.36% from 2005 to 2006.

County Home Fund

The County Home fund, a major governmental fund, had revenues of \$1,728,576 in 2006. The County Home fund, had expenditures of \$1,548,461 in 2006. The County Home fund balance increased \$180,115 or 74.24% from 2005 to 2006.

Public Assistance Fund

The Public Assistance fund, a major governmental fund, had revenues and other financing sources of \$3,800,207 in 2006. The Public Assistance fund, had expenditures of \$3,667,292 in 2006. The Public Assistance fund balance increased \$132,915 or 17.11% from 2005 to 2006.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

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, County Home and Public Assistance. In the general fund, final budgeted revenues and financing sources of \$9,760,247 were \$754,823 higher than original budgeted revenues and financing sources of \$9,005,424. Actual revenues and financing sources of \$10,445,857 exceeded final budgeted revenues by \$685,610 or 7.02%. This increase is due to greater than anticipated receipts in charges for services revenue and investment income.

Final budgeted expenditures and other financing uses of \$10,765,286 were \$825,093 higher than original budgeted expenditures and other financing uses of \$9,940,193. Actual expenditures and financing uses of \$10,322,390 were \$442,896 less than final budgeted expenditures and financing uses. This decrease was due to the County's ability to control expenditures in the general fund during the year.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

At the end of 2006, the County had \$40,627,304 (net of accumulated depreciation) invested in land, buildings and improvements, furniture, fixtures and equipment, vehicles, construction in progress, sewer mains and infrastructure. Of this total, \$25,325,244 was reported in governmental activities and \$15,302,060 was reported in business-type activities. The following table shows fiscal 2006 balances compared to 2005:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2006	Restated 2005	2006	Restated 2005	2006	Restated 2005
Land	\$ 865,514	\$ 947,860	\$ 1,656,377	\$ 1,298,379	\$ 2,521,891	\$ 2,246,239
Building and improvements	11,378,446	11,431,736	4,697,054	5,259,403	16,075,500	16,691,139
Furniture, fixtures and equipment	1,258,943	953,053	5,883,207	5,802,039	7,142,150	6,755,092
Vehicles	1,833,750	1,427,587	-	-	1,833,750	1,427,587
Infrastructure	9,889,465	9,486,263	-	-	9,889,465	9,486,263
Sewer/water lines	-	-	2,704,599	2,810,305	2,704,599	2,810,305
Construction in progress	99,126	2,672,664	360,823	82,951	459,949	2,755,615
Total	<u>\$ 25,325,244</u>	<u>\$ 26,919,163</u>	<u>\$ 15,302,060</u>	<u>\$ 15,253,077</u>	<u>\$ 40,627,304</u>	<u>\$ 42,172,240</u>

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

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
UNAUDITED

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 39.05% of the County's total governmental capital assets.

The County's third largest business-type capital asset category is sewer/water lines. 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 17.67% of the County's total business-type capital assets.

Debt Administration

At December 31, 2006 the County had \$4,422,000 in general obligation bonds, \$2,531,500 in revenue bonds and OPWC loans of \$127,276 outstanding. Of this total, \$360,182 is due within one year and \$6,720,594 is due in more than one year. The following table summarizes the bonds, notes and loans outstanding.

	Outstanding Debt, at Year End			
	Governmental Activities 2006	Business-Type Activities 2006	Governmental Activities 2005	Business-Type Activities 2005
	<u>2006</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>
Long-Term Obligations				
General obligation bonds:	\$ 4,422,000	\$ -	\$ 4,715,000	\$ -
Revenue bonds	-	2,531,500	-	2,568,500
OPWC loans	<u>-</u>	<u>127,276</u>	<u>-</u>	<u>106,551</u>
Total	<u>\$ 4,422,000</u>	<u>\$ 2,658,776</u>	<u>\$ 4,715,000</u>	<u>\$ 2,675,051</u>

The County's voted legal debt margin was \$15,965,157 at December 31, 2006 and the unvoted legal debt margin was \$6,398,609 at December 31, 2006. 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, 2006 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 5.5% state average and the 4.6% national average.

These economic factors were considered in preparing the County's budget for fiscal year 2007. Budgeted revenues and other financing sources in the general fund for fiscal year 2007 budget were \$9,110,890. 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, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 9,783,739	\$ 872,370	\$ 10,656,109
Cash and cash equivalents in segregated accounts	188,054	2,899,015	3,087,069
Receivables (net of allowances for uncollectibles):			
Sales taxes	638,762	-	638,762
Real estate and other taxes	6,312,350	-	6,312,350
Accounts	294,898	6,000,225	6,295,123
Due from other governments.	2,587,971	-	2,587,971
Accrued interest	2,001	-	2,001
Notes and loans	-	147,470	147,470
Internal balances	(2,864)	2,864	-
Prepayments	63,839	502,153	565,992
Materials and supplies inventory.	659,265	409,334	1,068,599
Assets limited as to use	-	6,598,365	6,598,365
Capital assets:			
Land and construction in progress.	964,640	2,017,200	2,981,840
Depreciable capital assets, net.	24,360,604	13,284,860	37,645,464
Total capital assets.	25,325,244	15,302,060	40,627,304
Total assets.	45,853,259	32,733,856	78,587,115
Liabilities:			
Accounts payable.	473,502	447,117	920,619
Contracts payable.	-	-	-
Accrued wages and benefits	364,343	1,764,661	2,129,004
Due to other governments	318,274	6,347	324,621
Deferred revenue.	6,066,888	155	6,067,043
Accrued interest payable.	19,431	84,383	103,814
Other accrued expenses.	-	180,003	180,003
Long-term liabilities:			
Due within one year.	1,061,001	239,849	1,300,850
Due in more than one year	4,402,497	6,077,532	10,480,029
Total liabilities	12,705,936	8,800,047	21,505,983
Net assets:			
Invested in capital assets, net of related debt.	20,903,244	12,332,684	33,235,928
Restricted for:			
Capital projects	453,214	-	453,214
Debt service	151,479	-	151,479
Public works projects	3,054,057	-	3,054,057
Public safety programs.	959,663	-	959,663
Human services programs	4,877,556	-	4,877,556
Other purposes	813,391	1,694,355	2,507,746
Unrestricted	1,934,719	9,906,770	11,841,489
Total net assets.	\$ 33,147,323	\$ 23,933,809	\$ 57,081,132

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Component Units

Lynn Hope Industries, Incorporated	Holmes County Airport Authority	Regional Planning Commission
\$ -	\$ -	\$ 153,539
30,125	279,140	-
-	-	-
-	-	-
12,099	11,300	-
-	48,151	-
-	-	-
-	-	-
-	400	-
451	-	-
-	-	-
-	54,357	-
30,083	416,386	-
30,083	470,743	-
72,758	809,734	153,539
355	2,727	-
-	16,222	-
-	-	3,412
-	352	2,185
-	74,950	-
-	-	-
-	-	-
25,282	-	15,172
172,753	-	5,175
198,390	94,251	25,944
30,083	470,743	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(155,715)	244,740	127,595
\$ (125,632)	\$ 715,483	\$ 127,595

HOLMES COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
General government:			
Legislative and executive	\$ 4,835,372	\$ 2,445,474	\$ 175,428
Judicial	1,635,998	389,993	-
Public safety	3,615,617	74,675	312,200
Public works	5,440,623	1,339,576	4,456,707
Health	185,419	141,080	-
Human services	12,375,027	1,027,538	5,903,908
Conservation and recreation	320,920	-	9,000
Intergovernmental	227,200	-	-
Interest and fiscal charges	245,809	-	-
Total governmental activities.	<u>28,881,985</u>	<u>5,418,336</u>	<u>10,857,243</u>
Business-Type Activities:			
Sewer District	897,629	705,785	-
County Disposal.	566,513	86,564	-
Joel Pomerene Hospital	30,651,830	29,772,976	-
Nonmajor:			
East Holmes Water	5,273	5,443	-
Total business-type activities	<u>32,121,245</u>	<u>30,570,768</u>	<u>-</u>
Total primary government.	<u>\$ 61,003,230</u>	<u>\$ 35,989,104</u>	<u>\$ 10,857,243</u>
Component Units:			
Lynn Hope Industries, Inc.	437,986	144,984	295,818
Holmes County Airport Authority	239,786	101,887	156,819
Regional Planning Commission	169,850	-	186,410
Total component units	<u>\$ 847,622</u>	<u>\$ 246,871</u>	<u>\$ 639,047</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.	
Employee lease revenue.	
Miscellaneous.	
Total general revenues	

Special Items:

Donation of land and land improvements to Park District	
Gain on sale of land to Park District	
Donation to Park District	

Total general revenues and special items

Change in net assets

Net assets at beginning of year (restated)

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Lynn Hope Industries, Inc.	Holmes County Airport Authority	Regional Planning Commission	
\$ (2,214,470)	\$ -	\$ (2,214,470)	\$ -	\$ -	\$ -	
(1,246,005)	-	(1,246,005)	-	-	-	
(3,228,742)	-	(3,228,742)	-	-	-	
355,660	-	355,660	-	-	-	
(44,339)	-	(44,339)	-	-	-	
(5,443,581)	-	(5,443,581)	-	-	-	
(311,920)	-	(311,920)	-	-	-	
(227,200)	-	(227,200)	-	-	-	
(245,809)	-	(245,809)	-	-	-	
<u>(12,606,406)</u>	<u>-</u>	<u>(12,606,406)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	(191,844)	(191,844)	-	-	-	
-	(479,949)	(479,949)	-	-	-	
-	(878,854)	(878,854)	-	-	-	
<u>-</u>	<u>170</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>-</u>	<u>(1,550,477)</u>	<u>(1,550,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>(12,606,406)</u>	<u>(1,550,477)</u>	<u>(14,156,883)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	-	-	2,816	-	-	
-	-	-	-	18,920	-	
-	-	-	-	-	16,560	
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,816</u>	<u>18,920</u>	<u>16,560</u>	
2,297,834	-	2,297,834	-	-	-	
3,038,489	-	3,038,489	-	-	-	
904,442	-	904,442	-	-	-	
4,271,824	-	4,271,824	-	-	-	
1,034,329	-	1,034,329	-	-	-	
609,078	353,162	962,240	727	5,654	-	
-	1,358,879	1,358,879	-	-	-	
1,631,750	104,995	1,736,745	-	78	-	
<u>13,787,746</u>	<u>1,817,036</u>	<u>15,604,782</u>	<u>727</u>	<u>5,732</u>	<u>-</u>	
(2,755,690)	-	(2,755,690)	-	-	-	
332,259	-	332,259	-	-	-	
(377,399)	-	(377,399)	-	-	-	
<u>10,986,916</u>	<u>1,817,036</u>	<u>12,803,952</u>	<u>727</u>	<u>5,732</u>	<u>-</u>	
(1,619,490)	266,559	(1,352,931)	3,543	24,652	16,560	
<u>34,766,813</u>	<u>23,667,250</u>	<u>58,434,063</u>	<u>(129,175)</u>	<u>690,831</u>	<u>111,035</u>	
<u>\$ 33,147,323</u>	<u>\$ 23,933,809</u>	<u>\$ 57,081,132</u>	<u>\$ (125,632)</u>	<u>\$ 715,483</u>	<u>\$ 127,595</u>	

HOLMES COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	General	County Board of MR/DD	Motor Vehicle License and Gas Tax
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,544,397	\$ 2,289,996	\$ 1,340,473
Cash and cash equivalents in segregated accounts	13,895	-	-
Receivables (net of allowance for uncollectibles):			
Sales taxes	597,762	-	-
Real estate and other taxes	2,371,748	2,995,487	-
Accounts	67,291	72,686	2,859
Accrued interest	1,153	-	425
Loans to other funds	55,000	-	-
Due from other funds	18,212	-	1,526
Due from other governments	437,972	157,654	1,279,490
Prepayments	32,736	8,415	6,262
Materials and supplies inventory	69,978	5,437	562,797
Total assets	<u>\$ 5,210,144</u>	<u>\$ 5,529,675</u>	<u>\$ 3,193,832</u>
Liabilities:			
Accounts payable	\$ 174,785	\$ 62,658	\$ 6,968
Accrued wages and benefits	122,443	81,249	43,890
Compensated absences payable	14,989	-	9,337
Loans from other funds	-	-	-
Due to other funds	-	3,490	-
Due to other governments	119,697	56,552	25,912
Deferred revenue	3,051,851	3,120,287	967,198
Total liabilities	<u>3,483,765</u>	<u>3,324,236</u>	<u>1,053,305</u>
Fund Balances:			
Reserved for encumbrances	-	-	-
Reserved for prepayments	32,736	8,415	6,262
Reserved for materials and supplies inventory	69,978	5,437	562,797
Reserved for loans	55,000	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for compensated absences reported in special revenue funds	-	-	-
Undesignated, reported in:			
General fund	1,568,665	-	-
Special revenue funds	-	2,191,587	1,571,468
Capital projects funds	-	-	-
Total fund balances	<u>1,726,379</u>	<u>2,205,439</u>	<u>2,140,527</u>
Total liabilities and fund balances	<u>\$ 5,210,144</u>	<u>\$ 5,529,675</u>	<u>\$ 3,193,832</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Public Assistance	Other Governmental Funds	Total Governmental Funds
\$ 253,837	\$ 578,960	\$ 3,776,076	\$ 9,783,739
174,159	-	-	188,054
-	-	41,000	638,762
945,115	-	-	6,312,350
39,816	71	112,175	294,898
-	-	423	2,001
-	-	-	55,000
-	-	10,251	29,989
39,557	520,050	153,248	2,587,971
8,301	3,896	4,229	63,839
7,624	5,704	7,725	659,265
<u>\$ 1,468,409</u>	<u>\$ 1,108,681</u>	<u>\$ 4,105,127</u>	<u>\$ 20,615,868</u>
\$ 15,600	\$ 94,426	\$ 119,065	\$ 473,502
24,603	39,493	52,665	364,343
-	-	-	24,326
-	-	55,000	55,000
5,156	6,761	17,446	32,853
15,667	58,238	42,208	318,274
984,672	-	65,190	8,189,198
<u>1,045,698</u>	<u>198,918</u>	<u>351,574</u>	<u>9,457,496</u>
-	-	20,124	20,124
8,301	3,896	4,229	63,839
7,624	5,704	7,725	659,265
-	-	-	55,000
-	-	170,910	170,910
-	-	250,000	250,000
-	-	-	1,568,665
406,786	900,163	2,849,261	7,919,265
-	-	451,304	451,304
<u>422,711</u>	<u>909,763</u>	<u>3,753,553</u>	<u>11,158,372</u>
<u>\$ 1,468,409</u>	<u>\$ 1,108,681</u>	<u>\$ 4,105,127</u>	<u>\$ 20,615,868</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006

Total governmental fund balances		\$ 11,158,372
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,325,244
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 245,462	
Sales tax	279,569	
Intergovernmental revenues	1,572,878	
License and permits	9,579	
Other revenues	10,435	
Interest income	38	
Charges for services	4,349	
	<hr/>	
Total		2,122,310
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	(4,422,000)	
Compensated absences	(1,017,172)	
Accrued interest payable	(19,431)	
	<hr/>	
Total		(5,458,603)
Net assets of governmental activities		<u><u>\$ 33,147,323</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, 2006

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>
Revenues:			
Property taxes	\$ 2,292,099	\$ 3,023,722	\$ -
Sales taxes	3,881,839	-	-
Charges for services	1,736,411	268,756	-
Licenses and permits	102,426	-	-
Fines and forfeitures	104,009	-	62,872
Intergovernmental	1,033,071	1,777,666	3,906,094
Investment income	526,985	2,311	54,734
Rental income	13,747	-	-
Other	540,688	454,751	151,500
Total revenues	<u>10,231,275</u>	<u>5,527,206</u>	<u>4,175,200</u>
Expenditures:			
Current:			
General government:			
Legislative and executive	3,670,330	-	-
Judicial	1,447,388	-	-
Public safety	3,299,755	-	-
Public works	59,183	-	4,791,597
Health	67,678	-	-
Human services	299,333	5,274,731	-
Conservation and recreation	285,593	-	-
Intergovernmental	227,200	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>9,356,460</u>	<u>5,274,731</u>	<u>4,791,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>874,815</u>	<u>252,475</u>	<u>(616,397)</u>
Other financing sources (uses):			
Transfers in	-	1,152	-
Transfers out	<u>(801,978)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(801,978)</u>	<u>(98,848)</u>	<u>-</u>
Special items:			
Sale of land to Park District	407,399	-	-
Donation to Park District	<u>(377,399)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	102,837	153,627	(616,397)
Fund balances at beginning of year (restated) .	<u>1,623,542</u>	<u>2,051,812</u>	<u>2,756,924</u>
Fund balances at end of year	<u>\$ 1,726,379</u>	<u>\$ 2,205,439</u>	<u>\$ 2,140,527</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Public Assistance	Other Governmental Funds	Total Governmental Funds
\$ 901,692	\$ -	\$ -	\$ 6,217,513
-	-	492,024	4,373,863
651,261	-	1,885,875	4,542,303
-	-	325,282	427,708
-	-	129,701	296,582
113,400	2,716,736	2,684,502	12,231,469
302	-	24,708	609,040
38,952	-	132,428	185,127
22,969	192,499	244,223	1,606,630
<u>1,728,576</u>	<u>2,909,235</u>	<u>5,918,743</u>	<u>30,490,235</u>
-	-	1,044,850	4,715,180
-	-	132,197	1,579,585
-	-	606,523	3,906,278
-	-	1,510,389	6,361,169
-	-	132,640	200,318
1,548,461	3,667,292	1,400,591	12,190,408
-	-	43,374	328,967
-	-	-	227,200
-	-	376,082	376,082
-	-	293,000	293,000
-	-	246,958	246,958
<u>1,548,461</u>	<u>3,667,292</u>	<u>5,786,604</u>	<u>30,425,145</u>
<u>180,115</u>	<u>(758,057)</u>	<u>132,139</u>	<u>65,090</u>
-	890,972	798,316	1,690,440
-	-	(788,462)	(1,690,440)
-	<u>890,972</u>	<u>9,854</u>	<u>-</u>
-	-	-	407,399
-	-	-	(377,399)
180,115	132,915	141,993	95,090
242,596	776,848	3,611,560	11,063,282
<u>\$ 422,711</u>	<u>\$ 909,763</u>	<u>\$ 3,753,553</u>	<u>\$ 11,158,372</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, 2006

Net change in fund balances - total governmental funds \$ 95,090

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	\$	3,066,808	
Current year depreciation		(1,808,337)	
Total			1,258,471

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. (2,852,390)

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

Property taxes	\$	23,252	
Sales tax		(102,039)	
Intergovernmental revenues		(316,459)	
Interest revenue		38	
Fines and forfeitures		(33)	
License and permits		9,579	
Other revenues		(17,433)	
Rental income		(39)	
Charges for services		(23,776)	
Total			(426,910)

Repayment of bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 293,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,149

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. 12,100

Change in net assets of governmental activities \$ (1,619,490)

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,188,000	\$ 2,218,000	\$ 2,293,088	\$ 75,088
Sales taxes	3,872,000	3,872,000	3,911,963	39,963
Charges for services	1,239,961	1,293,937	1,535,985	242,048
Licenses and permits	100,610	100,610	102,426	1,816
Fines and forfeitures	97,500	97,500	109,486	11,986
Intergovernmental	920,351	995,351	1,035,905	40,554
Investment income	300,000	330,000	519,045	189,045
Rental income	8,700	8,700	13,647	4,947
Other	278,302	455,933	516,913	60,980
Total revenues	<u>9,005,424</u>	<u>9,372,031</u>	<u>10,038,458</u>	<u>666,427</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	4,521,101	4,712,767	4,562,666	150,101
Judicial	1,165,825	1,181,002	1,135,048	45,954
Public safety	2,311,161	2,607,274	2,569,460	37,814
Public works	128,568	60,160	59,484	676
Health	68,348	69,469	68,176	1,293
Human services	400,010	400,010	226,803	173,207
Conservation and recreation	285,908	310,908	285,593	25,315
Other	15,151	15,212	8,583	6,629
Intergovernmental	227,200	227,200	227,200	-
Total expenditures	<u>9,123,272</u>	<u>9,584,002</u>	<u>9,143,013</u>	<u>440,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,848)</u>	<u>(211,971)</u>	<u>895,445</u>	<u>1,107,416</u>
Other financing uses:				
Transfers out	<u>(816,921)</u>	<u>(804,550)</u>	<u>(801,978)</u>	<u>2,572</u>
Total other financing uses	<u>(816,921)</u>	<u>(804,550)</u>	<u>(801,978)</u>	<u>2,572</u>
Special items:				
Sale of land to Park District	-	388,216	407,399	19,183
Donation to Park District	-	(376,734)	(377,399)	(665)
Net change in fund balance	(934,769)	(1,005,039)	123,467	1,128,506
Fund balance at beginning of year	1,302,487	1,302,487	1,302,487	-
Prior year encumbrances appropriated	<u>48,102</u>	<u>48,102</u>	<u>48,102</u>	<u>-</u>
Fund balance at end of year	<u>\$ 415,820</u>	<u>\$ 345,550</u>	<u>\$ 1,474,056</u>	<u>\$ 1,128,506</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 2,833,742	\$ 2,833,742	\$ 3,025,751	\$ 192,009
Charges for services	259,633	259,633	254,122	(5,511)
Intergovernmental	1,741,505	1,741,505	1,757,023	15,518
Investment income	1,800	1,800	2,311	511
Other	364,303	369,312	399,892	30,580
Total revenues	<u>5,200,983</u>	<u>5,205,992</u>	<u>5,439,099</u>	<u>233,107</u>
Expenditures:				
Current:				
Human services	<u>5,697,486</u>	<u>5,704,622</u>	<u>5,320,231</u>	<u>384,391</u>
Total expenditures	<u>5,697,486</u>	<u>5,704,622</u>	<u>5,320,231</u>	<u>384,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(496,503)</u>	<u>(498,630)</u>	<u>118,868</u>	<u>617,498</u>
Other financing sources (uses):				
Transfers in	38,500	38,500	1,152	(37,348)
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(100,000)</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(86,500)</u>	<u>(86,500)</u>	<u>(98,848)</u>	<u>(12,348)</u>
Net change in fund balance	(583,003)	(585,130)	20,020	605,150
Fund balance at beginning of year	<u>2,197,737</u>	<u>2,197,737</u>	<u>2,197,737</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,614,734</u>	<u>\$ 1,612,607</u>	<u>\$ 2,217,757</u>	<u>\$ 605,150</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 35,000	\$ 45,000	\$ 71,212	\$ 26,212
Intergovernmental	3,801,488	3,801,488	4,120,850	319,362
Investment income	30,700	30,700	53,449	22,749
Other	104,812	104,812	182,471	77,659
Total revenues	<u>3,972,000</u>	<u>3,982,000</u>	<u>4,427,982</u>	<u>445,982</u>
Expenditures:				
Current:				
Public works.	5,667,460	5,667,460	4,785,849	881,611
Total expenditures	<u>5,667,460</u>	<u>5,667,460</u>	<u>4,785,849</u>	<u>881,611</u>
Net change in fund balance.	(1,695,460)	(1,685,460)	(357,867)	1,327,593
Fund balance at beginning of year	<u>1,695,459</u>	<u>1,695,459</u>	<u>1,695,459</u>	<u>-</u>
Fund balance at end of year	<u>\$ (1)</u>	<u>\$ 9,999</u>	<u>\$ 1,337,592</u>	<u>\$ 1,327,593</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 923,460	\$ 923,460	\$ 902,158	\$ (21,302)
Charges for services	437,000	437,000	473,882	36,882
Intergovernmental	89,600	117,400	113,400	(4,000)
Rental income	31,285	31,285	38,952	7,667
Other	6,200	6,200	20,363	14,163
Total revenues	<u>1,487,545</u>	<u>1,515,345</u>	<u>1,548,755</u>	<u>33,410</u>
Expenditures:				
Current:				
Human services	1,525,484	1,553,284	1,417,480	135,804
Total expenditures	<u>1,525,484</u>	<u>1,553,284</u>	<u>1,417,480</u>	<u>135,804</u>
Net change in fund balance.	(37,939)	(37,939)	131,275	169,214
Fund balance at beginning of year	<u>106,674</u>	<u>106,674</u>	<u>106,674</u>	<u>-</u>
Fund balance at end of year	<u>\$ 68,735</u>	<u>\$ 68,735</u>	<u>\$ 237,949</u>	<u>\$ 169,214</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)
 PUBLIC ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 2,338,757	\$ 2,338,757	\$ 2,233,086	\$ (105,671)
Other	381,555	381,555	201,697	(179,858)
Total revenues	2,720,312	2,720,312	2,434,783	(285,529)
Expenditures:				
Current:				
Human services.	4,569,856	4,569,856	3,696,930	872,926
Total expenditures	4,569,856	4,569,856	3,696,930	872,926
Excess (deficiency) of revenues over (under) expenditures	(1,849,544)	(1,849,544)	(1,262,147)	587,397
Other financing sources (uses):				
Transfers in	841,301	841,301	890,972	49,671
Transfers out	(3,000)	(3,000)	-	3,000
Total other financing sources (uses)	838,301	838,301	890,972	52,671
Net change in fund balance.	(1,011,243)	(1,011,243)	(371,175)	640,068
Fund balance at beginning of year	950,135	950,135	950,135	-
Fund balance (deficit) at end of year	\$ (61,108)	\$ (61,108)	\$ 578,960	\$ 640,068

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS
 ENTERPRISE FUNDS
 DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 815,033	\$ 54,474	\$ -	\$ 2,863
Cash and cash equivalents in segregated accounts	-	-	2,899,015	-
Receivables (net of allowance for uncollectibles):				
Accounts	142,908	12,468	5,844,274	575
Due from other funds.	3,756	-	-	-
Notes and loans	147,470	-	-	-
Loans to other funds	8,000	-	-	-
Materials and supplies inventory	298	-	409,036	-
Prepayments.	-	-	502,153	-
Total current assets	<u>1,117,465</u>	<u>66,942</u>	<u>9,654,478</u>	<u>3,438</u>
Noncurrent assets:				
Assets limited as to use, net of current portion	-	-	6,598,365	-
Capital assets:				
Land and construction in progress	10,100	368,540	1,638,560	-
Depreciable capital assets, net	4,993,360	-	8,291,500	-
Total noncurrent assets	<u>5,003,460</u>	<u>368,540</u>	<u>16,528,425</u>	<u>-</u>
Total assets	<u>6,120,925</u>	<u>435,482</u>	<u>26,182,903</u>	<u>3,438</u>
Liabilities:				
Current liabilities:				
Accounts payable.	14,822	1,796	430,499	-
Accrued wages and benefits	4,125	1,011	1,759,525	-
Compensated absences payable.	13,785	3,263	-	-
Other accrued expenses.	-	-	180,003	-
Due to other governments	5,682	665	-	-
Due to other funds	892	-	-	-
Loans from other funds.	-	-	-	8,000
Accrued interest payable.	84,383	-	-	-
Deferred revenue.	-	-	-	155
Current portion of revenue bonds payable	38,000	-	-	-
Current portion of OPWC loan payable	15,182	-	-	-
Current portion of capital lease obligation	14,796	-	154,823	-
Total current liabilities	<u>191,667</u>	<u>6,735</u>	<u>2,524,850</u>	<u>8,155</u>
Long-term liabilities:				
Revenue bonds payable	2,493,500	-	-	-
Capital lease obligation	-	-	140,981	-
Landfill closure and postclosure care liability	-	3,330,957	-	-
OPWC loan payable	112,094	-	-	-
Total long-term liabilities.	<u>2,605,594</u>	<u>3,330,957</u>	<u>140,981</u>	<u>-</u>
Total liabilities	<u>2,797,261</u>	<u>3,337,692</u>	<u>2,665,831</u>	<u>8,155</u>
Net assets:				
Invested in capital assets, net of related debt.	2,329,888	368,540	9,634,256	-
Restricted for:				
Other purposes	-	-	1,694,355	-
Unrestricted (deficit).	993,776	(3,270,750)	12,188,461	(4,717)
Total net assets	<u>\$ 3,323,664</u>	<u>\$ (2,902,210)</u>	<u>\$ 23,517,072</u>	<u>\$ (4,717)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ 872,370
2,899,015
6,000,225
3,756
147,470
8,000
409,334
502,153
10,842,323

6,598,365

2,017,200
13,284,860
21,900,425

32,742,748

447,117
1,764,661
17,048
180,003
6,347
892
8,000
84,383
155
38,000
15,182
169,619
2,731,407

2,493,500
140,981
3,330,957
112,094
6,077,532

8,808,939

12,332,684

1,694,355
9,906,770

\$ 23,933,809

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Operating revenues:				
Charges for services	\$ 651,977	\$ -	\$ 29,407,077	\$ 4,693
Royalties and fees	-	86,564	-	-
Other.	53,808	-	365,899	750
Total operating revenues	<u>705,785</u>	<u>86,564</u>	<u>29,772,976</u>	<u>5,443</u>
Operating expenses:				
Personal services	197,627	56,121	14,987,544	-
Contract services	258,242	26,254	-	5,273
Materials and supplies	26,847	-	9,961,743	-
Depreciation	230,557	-	1,377,715	-
Provision for bad debts	-	-	1,227,760	-
Physician recruiting and incentive.	-	-	504,852	-
Medical professional fees	-	-	2,494,453	-
Landfill closure and postclosure care costs	-	482,529	-	-
Other.	1,774	1,609	34,389	-
Total operating expenses.	<u>715,047</u>	<u>566,513</u>	<u>30,588,456</u>	<u>5,273</u>
Operating income (loss)	<u>(9,262)</u>	<u>(479,949)</u>	<u>(815,480)</u>	<u>170</u>
Nonoperating revenues (expenses):				
Interest revenue	-	-	353,162	-
Interest expense and fiscal charges	(182,582)	-	(12,702)	-
Net nonoperating income.	-	-	104,995	-
NE network grant - net.	-	-	(49,823)	-
Employee lease revenue.	-	-	1,358,879	-
Change in fair value of investments.	-	-	(849)	-
Total nonoperating revenues (expenses)	<u>(182,582)</u>	<u>-</u>	<u>1,753,662</u>	<u>-</u>
Change in net assets.	(191,844)	(479,949)	938,182	170
Net assets (deficit) at beginning of year (restated) .	<u>3,515,508</u>	<u>(2,422,261)</u>	<u>22,578,890</u>	<u>(4,887)</u>
Net assets (deficit) at end of year	<u>\$ 3,323,664</u>	<u>\$ (2,902,210)</u>	<u>\$ 23,517,072</u>	<u>\$ (4,717)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ 30,063,747
86,564
420,457

30,570,768

15,241,292
289,769
9,988,590
1,608,272
1,227,760
504,852
2,494,453
482,529
37,772

31,875,289

(1,304,521)

353,162
(195,284)
104,995
(49,823)
1,358,879
(849)

1,571,080

266,559

23,667,250

\$ 23,933,809

HOLMES COUNTY, OHIO

STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Cash flows from operating activities:				
Cash received from sales/service charges	\$ 571,541	\$ -	\$ 26,798,391	\$ 5,699
Cash received from royalties and fees	-	95,674	-	-
Cash received from other operating revenue	54,581	-	365,899	750
Cash payments for personal services	(199,408)	(56,247)	(13,268,655)	-
Cash payments for contract services	(250,421)	(46,877)	(14,151,745)	(6,323)
Cash payments for materials and supplies	(27,145)	-	-	-
Cash payments for other expenses.	(1,493)	(1,609)	-	-
Net cash provided by (used in) operating activities	147,655	(9,059)	(256,110)	126
Cash flows from noncapital financing activities:				
Cash received from employee lease revenue	-	-	1,435,491	-
Cash payments for other nonoperating activities	-	-	(21,496)	-
Net cash used in noncapital financing activities	-	-	1,413,995	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(195,137)	-	(1,242,573)	-
Proceeds of loans.	31,718	-	-	-
Principal payments on capital lease obligations	(14,020)	-	(121,526)	-
Interest payments on capital lease obligations.	(1,385)	-	(12,702)	-
Principal payments on bonds and loans	(47,993)	-	-	-
Interest payments on bonds and loans	(182,431)	-	-	-
Net cash used in capital and related financing activities	(409,248)	-	(1,376,801)	-
Cash flows from investing activities:				
Cash received from interest	-	-	353,162	-
Net (purchases) of investments.	-	-	690,077	-
Repayments from notes receivable	13,454	-	-	-
Net cash provided by investing activities.	13,454	-	1,043,239	-
Net increase (decrease) in cash and cash equivalents	(248,139)	(9,059)	824,323	126
Cash and cash equivalents at beginning of year (restated)	<u>1,063,172</u>	<u>63,533</u>	<u>5,882,713</u>	<u>2,737</u>
Cash and cash equivalents at end of year.	<u>\$ 815,033</u>	<u>\$ 54,474</u>	<u>\$ 6,707,036</u>	<u>\$ 2,863</u>
Cash and cash equivalents include the following:				
Cash and cash equivalents	815,033	54,474	2,899,015	2,863
Assets limited as to use cash and cash equivalents:				
Board designated for future capital improvements	-	-	3,764,751	-
Funds available for future construction and equipment	-	-	43,270	-
Total cash and cash equivalents.	<u>\$ 815,033</u>	<u>\$ 54,474</u>	<u>\$ 6,707,036</u>	<u>\$ 2,863</u>

Total

\$ 27,375,631
95,674
421,230
(13,524,310)
(14,455,366)
(27,145)
(3,102)

(117,388)

1,435,491
(21,496)

1,413,995

(1,437,710)
31,718
(135,546)
(14,087)
(47,993)
(182,431)

(1,786,049)

353,162
690,077
13,454
1,056,693

567,251

7,012,155

\$ 7,579,406

3,771,385

3,764,751
43,270
7,579,406

\$ 7,579,406

- - continued

HOLMES COUNTY, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (9,262)	\$ (479,949)	\$ (815,480)	\$ 170
Adjustments:				
Depreciation	230,557	-	1,377,715	-
Bad debt expense	-	-	1,227,760	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(75,907)	9,110	(2,392,595)	851
Increase in third party settlements.	-	-	(180,750)	-
Decrease in prepayments.	-	-	183,898	-
Increase in due from other funds.	(3,756)	-	-	-
Increase (decrease) in accounts payable	4,029	(1,123)	65,468	(1,050)
Increase in other accrued expenses	-	-	303,885	-
Increase in inventories.	(17)	-	(25,872)	-
Increase in accrued wages and benefits.	202	30	-	-
Increase in landfill closure and postclosure care liability .	-	482,529	-	-
Increase (decrease) in due to other governments.	1,734	(19,799)	-	-
Increase (decrease) in compensated absences payable . . .	(817)	143	-	-
Increase in due to other funds	892	-	-	-
Increase (decrease) in deferred revenue	-	-	(139)	155
Net cash provided by (used in) operating activities.	<u>\$ 147,655</u>	<u>\$ (9,059)</u>	<u>\$ (256,110)</u>	<u>\$ 126</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ (1,304,521)

1,608,272

1,227,760

(2,458,541)

(180,750)

183,898

(3,756)

67,324

303,885

(25,889)

232

482,529

(18,065)

(674)

892

16

\$ (117,388)

HOLMES COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2006

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,914,354
Cash and cash equivalents in segregated accounts	649,442
Receivables:	
Real estate and other taxes	26,235,435
Accounts	128,737
Due from other governments	<u>955,171</u>
Total assets	<u>\$ 31,883,139</u>
Liabilities:	
Accounts payable	\$ 137,467
Due to other governments.	746,316
Undistributed monies	<u>30,999,356</u>
Total liabilities	<u>\$ 31,883,139</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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.

Joel Pomerene Hospital and Joel Pomerene Foundation (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 reflected as a department of the County. The operations of the Hospital are accounted for as a major enterprise fund.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

Holmes County Home Auxiliary (Auxiliary)

The Auxiliary is a division of the County Home whose purpose is to raise money for the County Home. The Auxiliary is not legally separate from the County and, therefore, its financial activities are reflected as a department of the County. The operations of the Auxiliary are accounted for in the County Home fund, which is a major special revenue fund.

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

DISCRETELY PRESENTED COMPONENT UNITS

Holmes County Regional Planning Commission (Commission)

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

Holmes County Airport Authority (Airport Authority)

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

Lynn Hope Industries, Inc. (Workshop)

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 27, 28 and 29.

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 2006, the County contributed \$289,975 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 2006.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

Holmes County Family and Children 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.

Medway Drug Enforcement Agency (Agency)

The Agency is an undercover investigative law enforcement agency, the objective of which is to remove illegal drugs from the community. The Agency is controlled by the Medway Council of Governments, consisting of two governing bodies: the General Assembly and the Governing Board. The County has two voting members on the General Assembly consisting of one County commissioner and one village or township representative chosen by a caucus of the villages and townships in the County. The County has three representatives on the Governing Board consisting of the County prosecutor, the County sheriff and one full-time village chief of police. The Wayne County Auditor and Treasurer, respectively serve as fiscal officer and custodian of funds for the Agency. For 2006, the County contributed \$75,887 to the Agency.

Mid-Eastern Ohio Regional Council (MEORC)

MEORC is a jointly governed organization among fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is governed by a Council made up of the superintendents of each county's Board of Mental Retardation and Developmentally Disabled. Revenues are generated by fees and State grants. The Council does not have any outstanding debt. During 2006, the County contributed \$12,220 to MEORC for membership and annual project service fees. Information can be obtained from 11700 Upper Gilchrist Road, Mount Vernon, Ohio 43050.

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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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 2006 was \$196,903.

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.

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 2006.

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 2006.

During 2006, the Rails to Trails Coalition and the Rails to Trails Agency (Rails) was combined with the District. The financial activity of Rails will be included with the Districts. The District receives grants from the Ohio Department of Transportation on behalf of Rails and is liable for the grants use.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

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.

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.

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

Public Assistance - This fund accounts 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.

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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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 issues.

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

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.

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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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, 2006, but which were levied to finance 2007 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.

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 County Home Auxiliary special revenue fund portion, Joel Pomerene Hospital enterprise fund, 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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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 2006.

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 2006 are included in the final budget amounts in the budget-to-actual comparisons.

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 2006, investments were limited to certificates of deposit, mutual funds, governmental securities and common stock. The investments in mutual funds and common stock are reported at fair value. The common stock 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 2006. For the money market mutual fund, fair value is determined by the fund's share price at December 31, 2006. 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 2006 amounted to \$526,985 which includes \$467,449 assigned from other County funds.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

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 2006, approximately 31 percent of the Hospital's total patient revenue was derived from Medicare payments while 10 percent was derived from Medicaid payments. Additionally, approximately 20 percent of the Hospital's total patient revenue was derived from individual self-payments in 2006. 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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

The County maintained a capitalization threshold of \$2,500 during 2006. 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 2006, 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.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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, 2006, 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, 2006, 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.

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, 2006, 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.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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

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 2004 and Medicaid through 2003.

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.

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 had internal balances of \$2,864 at December 31, 2006.

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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

S. 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.

T. 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.

U. 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.

During 2006, the County sold \$75,140 of unimproved land to the Holmes County Park District (the "Park District") for \$407,399 resulting in a gain of \$332,259. In conjunction with the sale, the County remitted \$377,399 of the proceeds to the Park District as a donation. In addition, the County donated \$83,026 of improved land and \$2,672,664 of land improvements to the Park District during 2006. The land (both unimproved and improved) as well as the land improvements that were donated to the Park District have been removed from the County's financial report. These items are reflected as special items on the Statement of Activities and the sale of land and donation of the proceeds are reflected as special items on the Statement of Revenues, Expenditures and Changes in Fund Balances.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the County has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the County as previously reported at December 31, 2005.

B. Restatement of Fund Balance and Net Assets

Restatement of Fund Balances - The Rails to Trails Agency/Coalition fund previously reported as a capital projects fund (other governmental fund) of the County has been reclassified and combined with the Holmes County Park District agency fund during 2006. This fund reclassification was required to properly report the intended purpose of the fund. In addition, the County is recording a prior period adjustment to properly report Holmes County Home Auxiliary monies that are held outside the County Treasury. These monies are reported as a component of "cash in segregated accounts" in the County Home fund. The fund reclassification and prior period adjustment had the following effect on the County's governmental fund balances as previously reported:

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle and Gas Tax</u>	<u>County Home</u>	<u>Public Assistance</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balance							
December 31, 2005	\$ 1,623,542	\$ 2,051,812	\$ 2,756,924	\$ 108,911	\$ 776,848	\$ 3,613,160	\$ 10,931,197
Cash in segregated							
accounts	-	-	-	133,685	-	-	133,685
Fund reclassification	-	-	-	-	-	(1,600)	(1,600)
Adjusted fund balance,							
January 1, 2006	<u>\$ 1,623,542</u>	<u>\$ 2,051,812</u>	<u>\$ 2,756,924</u>	<u>\$ 242,596</u>	<u>\$ 776,848</u>	<u>\$ 3,611,560</u>	<u>\$ 11,063,282</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Restatement of Governmental Activities Net Assets - The governmental activities net assets have been restated to reflect the effect of the fund reclassification and prior period adjustment mentioned above as well as to correct for capital assets previously reported that were determined to be capital assets of entities outside of the County's reporting entity. The County is also restating net assets to remove long-term liabilities of the Rails to Trails Agency/Coalition fund (due to the fund reclassification) which were previously reported in net assets and to make an accounting change for a County land parcel that was not recorded in net assets. These adjustments had the following effect on governmental activities net assets as previously reported:

Governmental activities net assets, December 31, 2005	\$ 35,026,227
<u>Adjustments:</u>	
Fund reclassification	(1,600)
Cash in segregated accounts	133,685
Add land previously not reported	7,336
Remove long-term liabilities related to fund reclassification	152,584
Remove capital assets determined to be capital assets of entities outside of the County's reporting entity	<u>(551,419)</u>
Restated governmental activities net assets, January 1, 2006	<u>\$ 34,766,813</u>

Enterprise Funds and Business-Type Activities - Restatement of Net Assets - The net assets of the enterprise funds and business-type activities have been restated at January 1, 2006, to properly include the Joel Pomerene Foundation as a component of the Joel Pomerene Hospital fund and to make an accounting change for intergovernmental receivables which were recorded in the Sewer fund. These adjustments had the following effect on net assets of the enterprise funds and business-type activities as previously reported:

	Enterprise Funds				Total Business-Type Activities
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds	
Net assets (deficit) as previously reported	\$ 3,648,254	\$ (2,422,261)	\$ 20,968,145	\$ (4,887)	\$ 22,189,251
<u>Adjustments:</u>					
Inclusion of Joel Pomerene Foundation	-	-	1,610,745	-	1,610,745
Removal of intergovernmental receivables	<u>(132,746)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132,746)</u>
Restated net assets, as of January 1, 2006	<u>\$ 3,515,508</u>	<u>\$ (2,422,261)</u>	<u>\$ 22,578,890</u>	<u>\$ (4,887)</u>	<u>\$ 23,667,250</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances/Net Assets

	<u>Deficit</u>
<u>Major Enterprise Fund</u>	
County Disposal	\$ 2,902,210
<u>Nonmajor Enterprise Fund</u>	
East Holmes Water	4,717
<u>Nonmajor Governmental Funds</u>	
ODNR Grant	578
State Victims Assistance Grant	4,976
Victim Advocacy/Office of Criminal Justice	676

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.

D. Legal Compliance

During 2006, certain County expenditures were not certified by the County Auditor prior to incurring the obligation, contrary to Ohio Rev. 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.

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;

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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;
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.

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.

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 \$20,996 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."

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At December 31, 2006, the carrying amount of all County deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$23,973,934. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2006 \$22,264,455 of the County's bank balance of \$24,513,689 was exposed to custodial risk as discussed below, while \$2,249,234 was covered by Federal Deposit Insurance Corporation.

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	\$ 3,759,011
Certificates of deposit	2,434,365
Investments in common stock and mutual funds	355,979
Interest receivable	<u>5,740</u>
	6,555,095

Funds available for future construction - cash and cash equivalents	<u>43,270</u>
Total assets limited as to use	<u>\$ 6,598,365</u>

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Investments

The County had the following investments and maturities. This table also shows the percentage of each investment type held by the County at December 31, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		<u>Percent of Total</u>
		<u>Less than 1 year</u>	<u>Less than 5 years</u>	
Commerical Savings Bank Common Stock	\$ 162,944	N/A	-	15.03%
Killbuck Savings Bank Common Stock	179,415	N/A	-	16.55%
Newell-Rubbermaid Common Stock	5,790	N/A	-	0.53%
U.S. Treasury Bonds	7,830	7,830	-	0.72%
FNM Bank	219,020	24,578	194,442	20.20%
Freddie Mac Notes	69,519	39,744	29,775	6.41%
FHL Bank	178,934	114,546	64,388	16.50%
GE Capital Corp Notes	59,120	49,237	9,883	5.45%
Federated Mutual Funds - Equity	12,054	12,054	-	1.11%
Fidelity Mutual Funds - Equity	51,865	51,865	-	4.78%
T. Row Price Small Cap Stock	82,923	N/A	-	7.65%
Vanguard Mutual Funds - Equity	14,814	14,814	-	1.37%
Edward Jones	15,116	15,116	-	1.39%
Ohio Hospital Association Stock	25,000	N/A	-	2.31%
	<u>\$ 1,084,344</u>	<u>\$ 329,784</u>	<u>\$ 298,488</u>	<u>100.00%</u>

Common stock has no maturity period.

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 Killbuck Savings Bank common stock are not public traded and have no credit risk report. The U.S. Treasury Bonds, Freddie Mac Notes and Edward Jones Investments are exempt from rating. The Newell-Rubbermaid Common Stock are rated B by Standard and Poor's. FNM and FHL Bank are rated Aaa by Moody's. GE Capital Corp Notes and Vanguard Mutual Funds are rated AAA by Standard and Poor's. Federated and Fidelity Mutual Funds and T. Row Price Small Cap Stock have a 3 Star rating from Morning Star.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 23,973,934
Investments	1,084,344
Cash on hand	<u>600</u>
Total	<u>\$ 25,058,878</u>

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 9,971,793
Business type activities	10,369,750
Component unit	153,539
Agency funds	<u>4,563,796</u>
Total	<u>\$ 25,058,878</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2006, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	
Public Assistance fund	\$ 113,662
Nonmajor governmental funds	688,316
Transfers from County Board of MR/DD fund to:	
Nonmajor governmental funds	100,000
Transfers from nonmajor governmental funds to:	
County Board of MR/DD fund	1,152
Public Assistance fund	777,310
Nonmajor governmental funds	<u>10,000</u>
Total	<u>\$ 1,690,440</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) to move monies set-aside for capital improvements.

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

- B.** Due from/to other funds consisted of the following at December 31, 2006, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	County Home	\$ 1,400
General	Nonmajor governmental funds	16,812
Motor Vehicle License and Gas Tax	Sewer fund	892
Motor Vehicle License and Gas Tax	Nonmajor governmental funds	634
Sewer fund	County Home	3,756
Nonmajor governmental funds	County Board of MR/DD	3,490
Nonmajor governmental funds	Public Assistance	<u>6,761</u>
Total		<u>\$ 33,745</u>

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

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

- C.** Loans to/from other funds consisted of the following at December 31, 2006:

<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.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out - the assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The assessed value upon which the 2006 taxes were collected was \$737,769,860. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2006, was \$12.55 per \$1,000 of assessed valuation.

The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real Estate	\$ 636,510,240
Public Utility Property	27,150,990
Tangible personal	<u>74,108,630</u>
Total Property Taxes	<u>\$ 737,769,860</u>

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

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

"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 2006 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 2007 are shown as 2006 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, 2006, consisted of taxes, accounts (billings for user charged services), interfund transactions related to charges for goods and services rendered, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "Due From Other Governments" on the balance sheets and statement of net assets and all interfund transactions related to charges for goods and services rendered have been classified as "Due From Other Funds" on the balance sheets and statement of net assets. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

A. Permissive Sales and Use Tax

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

Amounts that have been collected by the State and that are to be received within the available period are accrued as revenue on the fund financial statements. Each month, the sales tax revenue is allocated to 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 2006 amounted to \$4,373,863 as reported on the fund financial statements.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - RECEIVABLES - (Continued)

B. Intergovernmental

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

	<u>Amount</u>
<u>General Fund</u>	
Homestead and Rollback	\$ 100,201
Local Government	239,689
Revenue Assistance	96,242
Grants	<u>1,840</u>
Total	<u>437,972</u>
<u>County Board of MR/DD Fund</u>	
CAFS	33,625
Grants	8,512
Homestead and Rollback	<u>115,517</u>
Total	<u>157,654</u>
<u>Motor Vehicle License and Gas Tax Fund</u>	
Gasoline excise and motor vehicle license tax	<u>1,279,490</u>
Total	<u>1,279,490</u>
<u>County Home</u>	
Homestead and rollback	<u>39,557</u>
Total	<u>39,557</u>
<u>Public Assistance</u>	
Grants	48,748
Ohio Department of Job and Family Services	<u>471,302</u>
Total	<u>520,050</u>
<u>Nonmajor Governmental Funds</u>	
Child Support Enforcement	14,549
Community Housing Improvement	54,717
Children Services	<u>83,982</u>
Total	<u>153,248</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - RECEIVABLES - (Continued)

	<u>Amount</u>
<u>Agency Funds</u>	
County Public Library	\$ 99,765
Family and Children First Council	20,570
Gasoline and License Tax	603,410
Park District	4,624
State Housing Trust	1,142
Undivided Municipal Permissive	1,708
Undivided Local Government Revenue	64,161
Undivided Local Government	159,791
Total	955,171
Grand Total	\$ 3,543,142

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	\$ 651,977	\$ 47,045,115	\$ 4,693	\$ 47,701,785
Revenue Deductions:				
Provision for Contractual Allowances	-	(16,405,359)	-	(16,405,359)
Provision for Prompt Payment Discounts	-	(1,232,679)	-	(1,232,679)
Net Charges for Services Revenue	\$ 651,977	\$ 29,407,077	\$ 4,693	\$ 30,063,747

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	\$ 142,908	\$ -	\$ -	\$ 142,908
County Disposal	12,468	-	-	12,468
Joel Pomerene Hospital	9,064,901	(2,220,627)	(1,000,000)	5,844,274
East Holmes Water	575	-	-	575
Total Enterprise Funds	\$ 9,220,852	\$ (2,220,627)	\$ (1,000,000)	\$ 6,000,225

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS

- A. The capital asset balances of the governmental activities have been restated as described in Note 3.B. The capital asset balances for the business-type activities have been restated due to the inclusion of capital assets for the Joel Pomerene Foundation which is now a component of the Joel Pomerene Hospital fund (also see Note 3.B). The restatement to capital asset balances as previously reported follows:

	<u>Balance</u> <u>12/31/05</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>1/01/06</u>
<u>Governmental Activities:</u>			
Land	\$ 1,169,244	\$ (221,384)	\$ 947,860
Construction in progress	2,672,664	-	2,672,664
Buildings	18,223,853	(613,590)	17,610,263
Improvements other than buildings	55,784	-	55,784
Furniture, fixtures and equipment	3,378,912	(274,075)	3,104,837
Vehicles	3,329,972	(77,639)	3,252,333
Infrastructure	18,218,785	-	18,218,785
Less: accumulated depreciation	<u>(19,585,968)</u>	<u>642,605</u>	<u>(18,943,363)</u>
Total	<u>\$ 27,463,246</u>	<u>\$ (544,083)</u>	<u>\$ 26,919,163</u>
	<u>Balance</u> <u>12/31/05</u>	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> <u>1/01/06</u>
<u>Business-Type Activities:</u>			
Land	\$ 1,298,379	\$ -	\$ 1,298,379
Construction in progress	82,951	-	82,951
Buildings and improvement	2,560,421	-	2,560,421
Equipment and machinery	784,789	-	784,789
Sewer/water lines	4,188,236	-	4,188,236
Building and fixed equipment	11,561,147	-	11,561,147
Moveable inventory	10,194,613	-	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
Foundation equipment	-	10,702	10,702
Less: accumulated depreciation	<u>(16,398,773)</u>	<u>(7,492)</u>	<u>(16,406,265)</u>
Total	<u>\$ 15,249,867</u>	<u>\$ 3,210</u>	<u>\$ 15,253,077</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the fiscal year ended December 31, 2006, was as follows:

	Restated Balance 1/01/06	Additions	Deductions	Balance 12/31/06
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 947,860	\$ 75,820	\$ (158,166)	\$ 865,514
Construction in progress	<u>2,672,664</u>	<u>99,126</u>	<u>(2,672,664)</u>	<u>99,126</u>
 Total capital assets, not being depreciated	 <u>3,620,524</u>	 <u>174,946</u>	 <u>(2,830,830)</u>	 <u>964,640</u>
<i>Capital assets, being depreciated:</i>				
Buildings	17,610,263	409,941	-	18,020,204
Improvements other than buildings	55,784	25,682	-	81,466
Furniture, fixtures and equipment	3,104,837	617,577	(9,895)	3,712,519
Vehicles	3,252,333	771,487	(131,580)	3,892,240
Infrastructure	<u>18,218,785</u>	<u>1,067,175</u>	<u>-</u>	<u>19,285,960</u>
 Total capital assets, being depreciated	 <u>42,242,002</u>	 <u>2,891,862</u>	 <u>(141,475)</u>	 <u>44,992,389</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(6,178,527)	(463,231)	-	(6,641,758)
Improvements other than buildings	(48,370)	(23,465)	-	(71,835)
Furniture, fixtures and equipment	(2,159,198)	(304,009)	-	(2,463,207)
Vehicles	(1,824,746)	(353,659)	119,915	(2,058,490)
Infrastructure	<u>(8,732,522)</u>	<u>(663,973)</u>	<u>-</u>	<u>(9,396,495)</u>
 Total accumulated depreciation	 <u>(18,943,363)</u>	 <u>(1,808,337)</u>	 <u>119,915</u>	 <u>(20,631,785)</u>
 Total capital assets, being depreciated net	 <u>23,298,639</u>	 <u>1,083,525</u>	 <u>(21,560)</u>	 <u>24,360,604</u>
 Governmental activities capital assets, net	 <u>\$ 26,919,163</u>	 <u>\$ 1,258,471</u>	 <u>\$ (2,852,390)</u>	 <u>\$ 25,325,244</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS - (Continued)

	Restated Balance 1/01/06	Additions	Deductions	Balance 12/31/06
<u>Business-Type Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,298,379	\$ 357,998	\$ -	\$ 1,656,377
Construction in progress	<u>82,951</u>	<u>277,872</u>	<u>-</u>	<u>360,823</u>
Total capital assets, not being depreciated	<u>1,381,330</u>	<u>635,870</u>	<u>-</u>	<u>2,017,200</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvement	2,560,421	122,126	-	2,682,547
Equipment and machinery	784,789	73,011	(11,961)	845,839
Sewer/water lines	4,188,236	-	-	4,188,236
Building and fixed equipment	11,561,147	112,230	-	11,673,377
Moveable inventory	10,194,613	711,876	(136,100)	10,770,389
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
Foundation equipment	<u>10,702</u>	<u>-</u>	<u>-</u>	<u>10,702</u>
Total capital assets, being depreciated	<u>30,278,012</u>	<u>1,019,243</u>	<u>(148,061)</u>	<u>31,149,194</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(861,246)	(65,635)	-	(926,881)
Equipment and machinery	(265,489)	(59,216)	11,961	(312,744)
Sewer/water lines	(1,377,931)	(105,706)	-	(1,483,637)
Building and fixed equipment	(8,207,989)	(685,582)	-	(8,893,571)
Moveable inventory	(5,106,957)	(632,549)	136,100	(5,603,406)
Sub-specialty medical clinic	(156,932)	(12,580)	-	(169,512)
Modular medical office building	(410,519)	(32,908)	-	(443,427)
OB/GYN clinic moveable equipment	(1,956)	(1,997)	-	(3,953)
OB/GYN clinic goodwill	(9,754)	(9,959)	-	(19,713)
Foundation equipment	<u>(7,492)</u>	<u>(2,140)</u>	<u>2,142</u>	<u>(7,490)</u>
Total accumulated depreciation	<u>(16,406,265)</u>	<u>(1,608,272)</u>	<u>150,203</u>	<u>(17,864,334)</u>
Total capital assets, being depreciated net	<u>13,871,747</u>	<u>(589,029)</u>	<u>2,142</u>	<u>13,284,860</u>
Business-type activities capital assets, net	<u>\$ 15,253,077</u>	<u>\$ 46,841</u>	<u>\$ 2,142</u>	<u>\$ 15,302,060</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to functions/programs of the governmental activities and the funds of the business-type activities as follows:

Governmental activities:

Legislative and executive	\$ 182,035
Judicial	39,982
Public safety	245,246
Public works	849,137
Health	6,945
Human services	<u>484,992</u>
Total depreciation expense - governmental activities	<u>\$ 1,808,337</u>

Business-type activities:

Sewer District	\$ 230,557
Joel Pomerene Hospital	<u>1,377,715</u>
Total depreciation expense - business-type activities	<u>\$ 1,608,272</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 rates ranging from 2.8 to 4.4 percent. They expire at various times through 2009 and are collateralized by the equipment leased. Capital assets consisting of equipment have been capitalized in the amount of \$599,699. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2006 was \$239,053, leaving a current book value of \$360,646. A corresponding liability was recorded in the statement of net assets. Principal payments in the 2006 fiscal year totaled \$121,526 paid by the Hospital.

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, 2006 amounted to \$315,476 leaving a book value of \$145,639. Such agreements provide for minimum, annual lease payments as follows:

<u>Year</u>	<u>Hospital</u>	<u>Sewer</u>	<u>Total</u>
2007	\$ 162,260	\$ 15,405	\$ 177,665
2008	112,471	-	112,471
2009	<u>31,110</u>	<u>-</u>	<u>31,110</u>
Total minimum lease payments	305,841	15,405	321,246
Less: amounts representing interest	<u>(10,037)</u>	<u>(609)</u>	<u>(10,646)</u>
Present value of minimum lease payments	<u>\$ 295,804</u>	<u>\$ 14,796</u>	<u>\$ 310,600</u>

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 12 - OPERATING LEASES - LESSEE DISCLOSURE

The Hospital has entered into various operating lease agreements for equipment which expire at various times during 2006. Equipment operating lease expense totaled \$418,895 in 2006.

Effective March 1, 1999, the Hospital signed a six year lease agreement for office space from Aultman Health Foundation. The lease expired March 1, 2005, at which time the Hospital exercised the option to begin renewing the lease on an annual basis up to an additional four years. Office lease expense totaled \$236,745 in 2006.

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 2006.

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, 2006, the total liability for unpaid compensated absences was \$1,055,283 (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, 2006

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	12/1/2024
1995 Job and Family Services Various Purpose	3.9-5.8%	\$ 1,740,000	12/1/2024
1998 Capital Facilities	4.25%	\$ 2,400,000	12/1/2024
<u>Revenue Bonds:</u>			
1991 Hospital	5.875%	\$ 2,200,000	4/1/2005
1997 Sewer	5.00%	\$ 2,977,000	5/1/2036
<u>OPWC Loans:</u>			
Sanitary Sewer Plant	0.00%	\$ 58,226	7/1/2022
Mt. Hope	0.00%	\$ 78,018	1/1/2021
Walnut Creek	0.00%	\$ 31,718	1/1/2026

B. Governmental Activities Long-Term Obligations

The balance of the governmental activities long-term obligations has been restated as described in Note 3.B. During the fiscal year 2006, the following changes occurred in the County's governmental long-term obligations:

	<u>Balance 12/31/05</u>	<u>Adjustment</u>	<u>Restated Balance 1/1/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>	<u>Amount Due in One Year</u>
<u>General obligation bonds:</u>							
Series 1994 Jail bond	\$ 2,140,000	\$ -	\$ 2,140,000	\$ -	\$ (68,000)	\$ 2,072,000	\$ 72,000
Series 1995 Various purpose bond	1,260,000	-	1,260,000	-	(60,000)	1,200,000	65,000
Series 1998 Capital facilities bond	<u>1,315,000</u>	<u>-</u>	<u>1,315,000</u>	<u>-</u>	<u>(165,000)</u>	<u>1,150,000</u>	<u>170,000</u>
Total general obligation bonds	<u>\$ 4,715,000</u>	<u>\$ -</u>	<u>\$ 4,715,000</u>	<u>\$ -</u>	<u>\$ (293,000)</u>	<u>\$ 4,422,000</u>	<u>\$ 307,000</u>
<u>Other long-term obligations:</u>							
Rails-to-Trails note payable	\$ 152,584	\$ (152,584)	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences payable	<u>1,038,529</u>	<u>-</u>	<u>1,038,529</u>	<u>762,457</u>	<u>(759,488)</u>	<u>1,041,498</u>	<u>754,001</u>
Total other long-term obligations	<u>\$ 1,191,113</u>	<u>\$ (152,584)</u>	<u>\$ 1,038,529</u>	<u>\$ 762,457</u>	<u>\$ (759,488)</u>	<u>\$ 1,041,498</u>	<u>\$ 754,001</u>
Total governmental activities long-term obligations	<u>\$ 5,906,113</u>	<u>\$ (152,584)</u>	<u>\$ 5,753,529</u>	<u>\$ 762,457</u>	<u>\$ (1,052,488)</u>	<u>\$ 5,463,498</u>	<u>\$ 1,061,001</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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.

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

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:

<u>Year Ended</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	373,000	166,525	539,525
2012 - 2016	1,211,000	590,789	1,801,789
2017 - 2021	1,031,000	280,301	1,311,301
2022 - 2024	<u>490,000</u>	<u>52,342</u>	<u>542,342</u>
Total	<u>\$ 4,422,000</u>	<u>\$ 1,928,576</u>	<u>\$ 6,350,576</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

C. Business-Type Activities Long-term Obligations

During fiscal year 2006, the following changes occurred in the County's business-type activities long-term obligations:

	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>Date</u>	<u>Rate</u>	<u>12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/06</u>	<u>Due in</u>
							<u>One Year</u>
<u>Revenue bonds:</u>							
Series 1997 Sewer bonds	2037	5.0%	\$ 2,568,500	\$ -	\$ (37,000)	\$ 2,531,500	\$ 38,000
Total revenue bonds			<u>2,568,500</u>	<u>-</u>	<u>(37,000)</u>	<u>2,531,500</u>	<u>38,000</u>
<u>OPWC Loans:</u>							
Sanitary Sewer Plant	2022	0%	48,036	-	(2,911)	45,125	2,911
Mt. Hope	2021	0%	58,515	-	(3,901)	54,614	3,901
Walnut Creek	2026	0%	-	31,718	(4,181)	27,537	8,370
Total OPWC loans			<u>106,551</u>	<u>31,718</u>	<u>(10,993)</u>	<u>127,276</u>	<u>15,182</u>
<u>Other long-term obligations:</u>							
Capital leases-equipment			224,515	221,631	(135,546)	310,600	169,619
Landfill closure and postclosure care liability			2,848,428	482,529	-	3,330,957	-
Compensated absences			<u>17,722</u>	<u>17,048</u>	<u>(17,722)</u>	<u>17,048</u>	<u>17,048</u>
Total other long-term obligations			<u>3,090,665</u>	<u>721,208</u>	<u>(153,268)</u>	<u>3,658,605</u>	<u>186,667</u>
Total business-type activities long-term obligations			<u>\$ 5,765,716</u>	<u>\$ 752,926</u>	<u>\$ (201,261)</u>	<u>\$ 6,317,381</u>	<u>\$ 239,849</u>

The capital leases and the sewer revenue bonds reported in the enterprise funds will be repaid from charges for services revenue.

During 2006, the County entered into the Walnut Creek OPWC loan. The Walnut Creek OPWC loan is not closed out as of December 31, 2006. Future annual debt service principal requirements for this loan, which has a balance at December 31, 2006 of \$27,537, are not available.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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
2007	\$ 38,000	\$ 135,250	\$ 173,250	\$ 6,812	\$ -	\$ 6,812
2008	40,000	133,350	173,350	6,812	-	6,812
2009	42,000	131,350	173,350	6,812	-	6,812
2010	45,000	129,250	174,250	6,812	-	6,812
2011	46,000	127,000	173,000	6,812	-	6,812
2012 - 2016	270,000	597,850	867,850	34,062	-	34,062
2017 - 2021	344,000	523,350	867,350	30,159	-	30,159
2022 - 2026	439,000	428,300	867,300	1,458	-	1,458
2027 - 2031	560,000	306,950	866,950	-	-	-
2032 - 2036	707,500	160,300	867,800	-	-	-
Total	\$ 2,531,500	\$ 2,672,950	\$ 5,204,450	\$ 99,739	\$ -	\$ 99,739

- 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 \$15,965,157 at December 31, 2006 and the unvoted legal debt margin was \$6,398,609 at December 31, 2006.

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 2006, 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)	\$ 1,000,000
Stop Loss (aggregate excess)	1,000,000
Automobile Liability (per occurrence)	1,000,000
Uninsured Motorist Liability (per occurrence)	250,000
Law Enforcement Liability (per occurrence)	1,000,000
Errors and Omissions Liability	
- Per occurrence	1,000,000
- Annual aggregate	1,000,000
Crime Coverage (per each occurrence)	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (inside and outside)	1,000,000

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - RISK MANAGEMENT - (Continued)

Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Building and Contents	59,702,349
Other Property Insurance:	
Valuable Papers	1,000,000
Extra Expense	1,000,000
Electronic Data Processing	Replacement Cost
Contractors Equipment	Actual Cash Value
Inland Marine	1,000,000
Motortruck Cargo	100,000
Flood and Earthquake (pool limit)	100,000,000
Auto Physical Damage	Actual Cash Value
Comprehensive Boiler and Machinery	100,000,000
EDP Equipment	100,000 per policy
EDP Media	100,000 per policy
Unintentional omissions (per occurrence)	250,000
Newly acquired location	5,000,000
Debris Removal	1,000,000 each

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

For 2006, 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, 2006**

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) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The County's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the County's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$1,339,350, \$1,261,411, and \$1,184,063, respectively; 100% has been contributed for 2006, 2005 and 2004.

B. State Teachers Retirement System of Ohio

Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides 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 Ohio 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, 2006

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 Ohio 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% 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, 2006, plan members were required to contribute 10% of their annual covered salary and the County was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's required contribution for pension obligations for the DBP for the years ended December 31, 2006, 2005, and 2004 was \$108,827, \$104,766, and \$107,188, respectively; 100% has been contributed for fiscal years 2006, 2005 and 2004. There were no contributions for the DCP and CP for the fiscal year ended December 31, 2006.

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 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% 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, 2006**

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, 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 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The County's actual employer contributions for 2006 which were used to fund postemployment benefits were \$560,984. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional fund to be allocated to the health care plan.

B. State Teachers Retirement System of Ohio

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). 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 Ohio based on authority granted by State statute. STRS Ohio 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 Ohio. 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 Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended December 31, 2006, the Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the County, this amount was \$8,371.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$3.5 billion at June 30, 2006. For the fiscal year ended June 30, 2006, net health care costs paid by STRS were \$282.743 million, and STRS had 119,184 eligible benefit recipients.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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>	<u>Public Assistance</u>
Budget basis	\$ 146,218	\$ 20,020	\$ (357,867)	\$ 131,275	\$(371,175)
Net adjustment for revenue accruals	192,817	88,107	(252,782)	179,821	474,452
Net adjustment for expenditure accruals	(258,949)	45,500	(5,748)	(130,981)	29,638
Encumbrances (budget basis)	<u>22,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 102,837</u>	<u>\$ 153,627</u>	<u>\$ (616,397)</u>	<u>\$ 180,115</u>	<u>\$ 132,915</u>

NOTE 19 - CONTINGENCIES

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2006.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 19 - CONTINGENCIES - (Continued)

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, 2006.

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 \$3,330,957 reported as landfill closure and postclosure care liability at December 31, 2006, represents the cumulative amount reported to date based on the use of 62.59 percent of the estimated capacity of the landfill. Based on current usage, the remaining useful life is estimated to be 65 years. At December 31, 2006, the total estimated cost to perform closure and postclosure care of the landfill was \$5,321,506. This amount represents an estimate of what it would cost to perform all closure and postclosure care at December 31, 2006. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,990,549 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 \$1,233,000 in 2006.

NOTE 22 - ADVERTISING

The Hospital expenses advertising costs as they are incurred. Advertising expense was \$183,007 for 2006. Advertising expenses are included in the enterprise funds' operating expenses in these financial statements.

NOTE 23 - MEDICAL MALPRACTICE CLAIMS

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

NOTE 24 - RELATED PARTY TRANSACTIONS

During 2006, 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.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 24 - RELATED PARTY TRANSACTIONS - (Continued)

The Northeast Ohio Health Outreach Network (Network) is controlled by four 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. The Network expended \$31,527, netting to unrestricted net assets of \$104,153 for the year ended December 31, 2006.

NOTE 25 - EMPLOYEE LEASING PAYMENTS

In 2005, Joel Pomerene Memorial Hospital began leasing a group of employees from Health Professional of Holmes County, Inc., which is wholly owned by the Joel Pomerene Foundation. The Hospital made payments totaling \$1,311,200 to Health Professionals of Holmes County, Inc. in 2006.

NOTE 26 - INCOME GRANTS AND FORGIVENESS OF EDUCATIONAL LOANS

As part of the Hospital's recruitment program for new physicians, the Hospital offers income grants and forgiveness of education loans in exchange for a commitment to a minimum term of service. As of December 31, 2006, the loan receivable in connection with these income grants and forgiveness of education loans was \$258,045. The loans will be forgiven over time as physicians fulfill their committed term of service. \$222,624 is anticipated to be forgiven in 2007. For the year ended December 31, 2006 the Hospital forgave \$202,730 in connection with these loan receivables.

NOTE 27 - 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.

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, 2006, vacation and severance liability were \$15,172 and \$5,175, respectively. The entire compensated absences liability is reported on the government-wide financial statements.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 28 - 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 statutory lives of the related assets as allowed by the Internal Revenue Service. 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, 2006 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.

B. Non-Cash Transactions

The Organization received in-kind services and facilities for the year ended December 31, 2006 from the Holmes County Board of MR/DD. The value of the in-kind contribution was determined to be \$295,818 and is recorded in operating grants and operating expenses as an equivalent amount.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 28 - LYNN HOPE INDUSTRIES, INC. - (Continued)

C. Deposits and Investments

The carrying amount and bank balance of the Organizations deposits at year end was \$30,125. 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 \$18,332 or the year ended December 31, 2006. The Organization had \$1,470 in accounts receivable from the Holmes County Board of MR/DD at December 31, 2006.

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 \$403 for the year ended December 31, 2006.

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 \$172 for the year ended December 31, 2006.

F. Long-Term Liabilities

Long-term liabilities at December 31, 2006 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>\$ 183,535</u>
	183,535
Less: current portion	<u>(10,782)</u>
Total	<u><u>\$ 172,753</u></u>

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

2007	\$ 10,782
2008	11,448
2009	12,154
2010	12,903
2011	13,699
Thereafter	<u>122,549</u>
Total	<u><u>\$ 183,535</u></u>

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 28 - LYNN HOPE INDUSTRIES, INC. - (Continued)

G. Notes Payable

Notes payable at December 31, 2006 consists of the following:

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

H. Capital Assets

A summary of capital assets at December 31, 2006 follows:

Equipment	\$ 75,263
Vehicles	<u>9,842</u>
Subtotal	85,105
Less: accumulated depreciation	<u>(55,022)</u>
Net capital assets	<u>\$ 30,083</u>

I. Deficit Net Assets

The Organization had a deficit net asset balance of \$125,632 at December 31, 2006. This deficit balance was caused by accrued liabilities at year-end.

NOTE 29 - HOLMES COUNTY AIRPORT AUTHORITY

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

A. Basis of Accounting

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 29 - HOLMES COUNTY AIRPORT AUTHORITY - (Continued)

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, 2006, follows:

Land	\$ 54,357
Buildings and improvements	584,920
Equipment	<u>127,158</u>
Subtotal	766,435
Less: accumulated depreciation	<u>(295,692)</u>
Net capital assets	<u>\$ 470,743</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, 2006, the carrying amount of the Airport Authority's deposits was \$279,140. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2006, \$179,140 of the Airport Authority's bank balance of \$279,140 was exposed to custodial risk as discussed below, while \$100,000 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

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.

Motor Vehicle License and Gas Tax

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

County Home

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

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.

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.

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.

Jury Administration

To account for revenues donated back by the jurors to help pay for refreshments and other necessities for jury duty.

License Bureau

To account for revenues generated by and expenditures related to the license bureau.

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.

911 Wireless Project

To account for revenues collected from cell phone bills to be used for contract services, supplies and equipment for the 911 wireless project.

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.

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Youthful Impaired Driver

Portion of DUI fines are paid into this fund and used to educate the importance of driving while under the influence.

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.

Community Development

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

Community Development/1999 Grant

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

Domestic Violence

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

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.

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, 2006

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,188,000	\$ 2,218,000	\$ 2,293,088	\$ 75,088
Sales taxes	3,872,000	3,872,000	3,911,963	39,963
Charges for services.	1,239,961	1,293,937	1,535,985	242,048
Licenses and permits	100,610	100,610	102,426	1,816
Fines and forfeitures	97,500	97,500	109,486	11,986
Intergovernmental	920,351	995,351	1,035,905	40,554
Investment income	300,000	330,000	519,045	189,045
Rental Income	8,700	8,700	13,647	4,947
Other	278,302	455,933	516,913	60,980
Total revenues	<u>9,005,424</u>	<u>9,372,031</u>	<u>10,038,458</u>	<u>666,427</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Commissioners				
Personal services.	213,212	220,854	216,289	4,565
Materials and supplies	2,500	2,138	2,022	116
Contractual services	630,675	758,006	750,862	7,144
Other.	37,093	37,093	34,415	2,678
Total commissioners	<u>883,480</u>	<u>1,018,091</u>	<u>1,003,588</u>	<u>14,503</u>
Auditor - General:				
Personal services.	328,759	338,814	330,189	8,625
Materials and supplies	32,855	32,135	22,291	9,844
Contractual services	46,623	46,831	41,167	5,664
Capital outlay	6,366	8,886	8,444	442
Other.	7,500	5,500	4,861	639
Total auditor	<u>422,103</u>	<u>432,166</u>	<u>406,952</u>	<u>25,214</u>
Auditor - Personal Property:				
Materials and supplies	3,350	3,350	1,412	1,938
Total auditor-personal property	<u>3,350</u>	<u>3,350</u>	<u>1,412</u>	<u>1,938</u>
Treasurer				
Contractual services	11,500	11,271	10,779	492
Other.	1,700	1,729	1,729	-
Total treasurer	<u>13,200</u>	<u>13,000</u>	<u>12,508</u>	<u>492</u>
Prosecutor				
Personal services.	296,606	324,786	323,571	1,215
Materials and supplies	10,000	10,035	9,472	563
Personal services.	105,786	105,986	102,888	3,098
Materials and supplies	16,000	16,000	15,111	889
Contractual services	28,851	33,739	32,740	999
Total prosecutor	<u>457,243</u>	<u>490,546</u>	<u>483,782</u>	<u>6,764</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, 2006

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
County Office Examinations:				
Contractual services	\$ 97,000	\$ 97,000	\$ 96,792	\$ 208
Total county office examinations	97,000	97,000	96,792	208
Budget Commission:				
Materials and supplies	150	150	61	89
Total budget commission	150	150	61	89
Board of Revisions:				
Materials and supplies	650	650	214	436
Total board of revisions	650	650	214	436
Recorder:				
Personal services	108,591	112,591	107,285	5,306
Materials and supplies	6,000	2,000	914	1,086
Other	1,700	1,700	1,652	48
Total recorder	116,291	116,291	109,851	6,440
Board of Elections:				
Personal Services	88,084	97,574	97,439	135
Materials and supplies	16,000	31,812	31,706	106
Other	4,200	10,934	10,915	19
Total board of elections	108,284	140,320	140,060	260
Maintenance and Operations				
Personal services	125,260	125,260	122,174	3,086
Materials and supplies	42,527	42,865	30,890	11,975
Contractual services	400,335	400,335	371,590	28,745
Capital outlay	113,800	139,332	126,757	12,575
Total maintenance and operations	681,922	707,792	651,411	56,381
Tax Map				
Personal services	80,770	84,616	84,616	-
Materials and supplies	4,000	2,781	2,418	363
Contractual services	4,000	2,024	2,024	-
Capital Outlay	5,500	5,500	5,500	-
Other	700	700	325	375
Total tax map	94,970	95,621	94,883	738
Insurance and Pensions				
Personal services	768,500	752,345	718,776	33,569
Contractual services	791,317	825,365	824,232	1,133
Other	82,641	20,080	18,144	1,936
Total insurance and pensions	1,642,458	1,597,790	1,561,152	36,638
Total general government - legislative and executive	4,521,101	4,712,767	4,562,666	150,101

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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, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Judicial				
Common Pleas Court				
Personal services	\$ 191,186	\$ 201,786	\$ 195,684	\$ 6,102
Materials and supplies	22,170	19,570	16,663	2,907
Capital outlay	4,000	6,000	6,756	(756)
Other	2,000	2,000	2,000	-
Total common pleas court	<u>219,356</u>	<u>229,356</u>	<u>221,103</u>	<u>8,253</u>
Adult Probation				
Personal services	135,823	136,423	135,689	734
Materials and supplies	8,385	7,785	7,408	377
Capital outlay	2,000	2,000	1,984	16
Total adult probation	<u>146,208</u>	<u>146,208</u>	<u>145,081</u>	<u>1,127</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	135,860	135,860	130,275	5,585
Materials and supplies	4,756	4,756	4,742	14
Contractual services	127,369	132,369	124,438	7,931
Other	2,500	2,000	824	1,176
Total juvenile court	<u>270,485</u>	<u>274,985</u>	<u>260,279</u>	<u>14,706</u>
Probate Court				
Personal services	84,701	84,701	77,476	7,225
Materials and supplies	12,523	12,523	11,258	1,265
Other	750	750	520	230
Total probate court	<u>97,974</u>	<u>97,974</u>	<u>89,254</u>	<u>8,720</u>
Clerk of Courts				
Personal services	191,178	191,203	190,677	526
Materials and supplies	25,075	24,475	24,340	135
Contractual services	3,430	4,030	3,905	125
Total clerk of courts	<u>219,683</u>	<u>219,708</u>	<u>218,922</u>	<u>786</u>
County Court				
Personal services	172,930	171,813	163,254	8,559
Materials and supplies	18,000	19,472	18,791	681
Contractual services	2,500	2,245	2,226	19
Other	500	400	400	-
Total county court	<u>193,930</u>	<u>193,930</u>	<u>184,671</u>	<u>9,259</u>
Juvenile Probation				
Personal services	4,162	4,362	4,202	160
Materials and supplies	1,675	2,175	1,752	423
Other	400	200	150	50
Total juvenile probation	<u>6,237</u>	<u>6,737</u>	<u>6,104</u>	<u>633</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, 2006

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Common Pleas Jury Commission				
Personal services	\$ 1,752	\$ 1,804	\$ 1,804	\$ -
Materials and supplies	200	300	257	43
Total common pleas jury commission	1,952	2,104	2,061	43
Court of Appeals				
Other	7,000	7,000	4,573	2,427
Total court of appeals	7,000	7,000	4,573	2,427
Total general government - judicial	1,165,825	1,181,002	1,135,048	45,954
Total general government	5,686,926	5,893,769	5,697,714	196,055
Public Safety				
Jail				
Personal services	740,600	764,307	762,617	1,690
Materials and supplies	6,000	6,000	3,173	2,827
Contractual services	205,200	186,242	183,124	3,118
Capital outlay	10,000	9,535	3,033	6,502
Other	1,500	1,500	978	522
Total jail	963,300	967,584	952,925	14,659
Coroner				
Personal services	34,600	33,700	33,626	74
Materials and supplies	50	-	-	-
Other	7,000	14,450	13,268	1,182
Total coroner	41,650	48,150	46,894	1,256
Sheriff				
Personal services	1,033,708	1,099,923	1,099,132	791
Materials and supplies	126,500	139,500	130,243	9,257
Contractual services	75,111	80,111	80,020	91
Capital outlay	40,000	94,057	91,183	2,874
Other	6,000	6,000	3,296	2,704
Total sheriff	1,281,319	1,419,591	1,403,874	15,717
Sheriff Policing Rotary				
Other	24,892	171,949	165,767	6,182
Total sheriff policing rotary	24,892	171,949	165,767	6,182
Total public safety	2,311,161	2,607,274	2,569,460	37,814
Public Works				
Highways				
Personal services	860	860	540	320
Capital outlay	6,280	6,280	6,128	152
Other	16,000	16,000	15,796	204
Total highways	23,140	23,140	22,464	676
Airport				
Grant in Aid	18,500	18,500	18,500	-
Other	15,792	18,520	18,520	-
Total airport	34,292	37,020	37,020	-
Medway				
Capital outlay	71,136	-	-	-
Total highways	71,136	-	-	-
Total Public Works	128,568	60,160	59,484	676

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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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health				
TB Clinic and Care				
Contractual services	\$ 1,498	\$ 1,498	\$ 498	\$ 1,000
Total tb clinic and care	1,498	1,498	498	1,000
Registration Vital Statistics				
Contractual services	850	1,850	1,557	293
Total registration vital statistics	850	1,850	1,557	293
Other Health Department				
Contractual	66,000	66,121	66,121	-
Total other health department	66,000	66,121	66,121	-
Total health	68,348	69,469	68,176	1,293
Human Services				
Veteran's Services				
Personal services	175,720	175,720	155,712	20,008
Materials and supplies	31,000	31,000	9,728	21,272
Contractual services	175,290	175,290	52,349	122,941
Capital outlay	15,000	15,000	7,358	7,642
Other	3,000	3,000	1,656	1,344
Total veteran's services	400,010	400,010	226,803	173,207
Total human services	400,010	400,010	226,803	173,207
Conservation and recreation				
Agriculture Department				
Grant	283,408	308,408	283,408	25,000
Other	2,500	2,500	2,185	315
Total agriculture department	285,908	310,908	285,593	25,315
Total conservation and recreation	285,908	310,908	285,593	25,315
Other				
Other				
Contractual services	15,151	15,151	8,522	6,629
Other	-	61	61	-
Total other	15,151	15,212	8,583	6,629
Total other	15,151	15,212	8,583	6,629
Intergovernmental	227,200	227,200	227,200	-
Total expenditures	9,123,272	9,584,002	9,143,013	440,989
Excess of Revenues Over (Under) Expenditures	(117,848)	(211,971)	895,445	1,107,416

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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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out	(816,921)	(804,550)	(801,978)	2,572
Total other financing uses.	<u>(816,921)</u>	<u>(804,550)</u>	<u>(801,978)</u>	<u>2,572</u>
Special items:				
Sale of land to Park District	-	388,216	407,399	19,183
Donation to Park District.	-	(376,734)	(377,399)	(665)
Net change in fund balance	(934,769)	(1,005,039)	123,467	1,128,506
Fund balance at beginning of year	1,302,487	1,302,487	1,302,487	-
Prior year encumbrances appropriated	<u>48,102</u>	<u>48,102</u>	<u>48,102</u>	<u>-</u>
Fund balance at end of year	<u>\$ 415,820</u>	<u>\$ 345,550</u>	<u>\$ 1,474,056</u>	<u>\$ 1,128,506</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,179,640	\$ 135,910	\$ 460,526	\$ 3,776,076
Receivables (net of allowance for uncollectibles):				
Sales taxes.	-	35,000	6,000	41,000
Accounts	108,703	-	3,472	112,175
Accrued interest.	168	-	255	423
Due from other funds.	10,251	-	-	10,251
Due from other governments.	153,248	-	-	153,248
Prepayments	4,229	-	-	4,229
Materials and supplies inventory	7,725	-	-	7,725
Total assets	<u>\$ 3,463,964</u>	<u>\$ 170,910</u>	<u>\$ 470,253</u>	<u>\$ 4,105,127</u>
Liabilities:				
Accounts payable	\$ 105,046	\$ -	\$ 14,019	\$ 119,065
Accrued wages and benefits.	50,856	-	1,809	52,665
Loans from other funds	55,000	-	-	55,000
Due to other funds.	17,446	-	-	17,446
Due to other governments.	40,997	-	1,211	42,208
Deferred revenue	65,190	-	-	65,190
Total liabilities	<u>334,535</u>	<u>-</u>	<u>17,039</u>	<u>351,574</u>
Fund Balances:				
Reserved for encumbrances	18,214	-	1,910	20,124
Reserved for prepayments	4,229	-	-	4,229
Reserved for materials and supplies inventory.	7,725	-	-	7,725
Reserved for debt service	-	170,910	-	170,910
Unreserved:				
Designated for compensated absences	250,000	-	-	250,000
Undesignated, reported in:				
Special revenue funds.	2,849,261	-	-	2,849,261
Capital projects funds.	-	-	451,304	451,304
Total fund balances.	<u>3,129,429</u>	<u>170,910</u>	<u>453,214</u>	<u>3,753,553</u>
Total liabilities and fund balances	<u>\$ 3,463,964</u>	<u>\$ 170,910</u>	<u>\$ 470,253</u>	<u>\$ 4,105,127</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Sales taxes	\$ 24	\$ 420,000	\$ 72,000	\$ 492,024
Charges for services	1,859,283	-	26,592	1,885,875
Licenses and permits	325,282	-	-	325,282
Fines and forfeitures	63,650	-	66,051	129,701
Intergovernmental	2,684,502	-	-	2,684,502
Investment income	21,102	-	3,606	24,708
Rental income	-	132,428	-	132,428
Other	215,403	-	28,820	244,223
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,169,246	552,428	197,069	5,918,743
Expenditures:				
Current:				
General government:				
Legislative and executive	1,044,850	-	-	1,044,850
Judicial	132,197	-	-	132,197
Public safety.	606,523	-	-	606,523
Public works.	1,510,389	-	-	1,510,389
Health	132,640	-	-	132,640
Human services	1,400,591	-	-	1,400,591
Conservation and recreation.	43,374	-	-	43,374
Capital outlay	8,221	-	367,861	376,082
Debt service:				
Principal retirement	-	293,000	-	293,000
Interest and fiscal charges	-	246,958	-	246,958
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,878,785	539,958	367,861	5,786,604
Excess (deficiency) of revenues over (under) expenditures.	290,461	12,470	(170,792)	132,139
Other financing sources (uses):				
Transfers in	688,316	-	110,000	798,316
Transfers out	(788,462)	-	-	(788,462)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(100,146)	-	110,000	9,854
Net change in fund balances.	190,315	12,470	(60,792)	141,993
Fund balances at beginning of year (restated)	<hr/>	<hr/>	<hr/>	<hr/>
	2,939,114	158,440	514,006	3,611,560
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 3,129,429	\$ 170,910	\$ 453,214	\$ 3,753,553

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	<u>Dog and Kennel</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>	<u>Real Estate Assessment</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 54,151	\$ 470,817	\$ 75,282	\$ 215,186
Receivables (net of allowance for uncollectibles):				
Accounts	81	353	-	-
Accrued interest.	-	-	-	-
Due from other funds.	-	-	-	-
Due from other governments	-	14,549	-	-
Prepayments	434	-	-	-
Materials and supplies inventory	529	-	-	-
Total assets.	<u>\$ 55,195</u>	<u>\$ 485,719</u>	<u>\$ 75,282</u>	<u>\$ 215,186</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	2,209	4,711	-	3,853
Loans from other funds	-	-	-	-
Due to other funds	-	12,951	-	-
Due to other governments	348	10,430	-	2,461
Deferred revenue.	-	-	-	-
Total liabilities.	<u>2,557</u>	<u>28,092</u>	<u>-</u>	<u>6,314</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	1,400
Reserved for prepayments	434	-	-	-
Reserved for materials and supplies inventory	529	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	51,675	457,627	75,282	207,472
Total fund balances.	<u>52,638</u>	<u>457,627</u>	<u>75,282</u>	<u>208,872</u>
Total liabilities and fund balances	<u>\$ 55,195</u>	<u>\$ 485,719</u>	<u>\$ 75,282</u>	<u>\$ 215,186</u>

<u>Delinquent Real Estate Collection</u>	<u>Delinquent Real Estate Prosecutor</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>	<u>Jury Administration</u>	<u>License Bureau</u>
\$ 26,046	\$ 26,066	\$ -	\$ -	\$ 399	\$ 11,852
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	222	-	-
<u>\$ 26,046</u>	<u>\$ 26,066</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 399</u>	<u>\$ 11,852</u>
\$ -	\$ 525	\$ -	\$ -	\$ -	\$ -
-	-	-	1,523	-	3,264
-	-	-	-	-	-
-	-	-	2,691	-	-
-	192	578	984	-	514
-	-	-	-	-	-
<u>-</u>	<u>717</u>	<u>578</u>	<u>5,198</u>	<u>-</u>	<u>3,778</u>
-	71	-	-	-	-
-	-	-	-	-	-
-	-	-	222	-	-
-	-	-	-	-	-
<u>26,046</u>	<u>25,278</u>	<u>(578)</u>	<u>(5,198)</u>	<u>399</u>	<u>8,074</u>
<u>26,046</u>	<u>25,349</u>	<u>(578)</u>	<u>(4,976)</u>	<u>399</u>	<u>8,074</u>
<u>\$ 26,046</u>	<u>\$ 26,066</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 399</u>	<u>\$ 11,852</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2006

	Victim Advocacy/ Office of Criminal Justice	911 Wireless Project	Indigent Guardianship
Assets:			
Equity in pooled cash and cash equivalents	\$ 650	\$ 63,695	\$ 1,636
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Accrued interest	-	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Prepayments	-	-	-
Materials and supplies inventory	-	-	-
Total assets.	<u>\$ 650</u>	<u>\$ 63,695</u>	<u>\$ 1,636</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	1,145	-	-
Loans from other funds	-	-	-
Due to other funds	-	-	-
Due to other governments	181	-	-
Deferred revenue.	-	-	-
	<u>1,326</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Reserved for encumbrances	-	-	-
Reserved for prepayments	-	-	-
Reserved for materials and supplies inventory	-	-	-
Unreserved:			
Designated for compensated absences	-	-	-
Undesignated (deficit), reported in:			
Special revenue funds	<u>(676)</u>	<u>63,695</u>	<u>1,636</u>
Total fund balances.	<u>(676)</u>	<u>63,695</u>	<u>1,636</u>
	<u>\$ 650</u>	<u>\$ 63,695</u>	<u>\$ 1,636</u>

General Special Projects Common Pleas	Sheriff Concealed Handgun License	Education and Enforcement	911	Special Projects	Employee Expended
\$ 29,686	\$ 3,014	\$ 6,294	\$ 519,220	\$ 72,917	\$ 250,000
-	-	110	-	1,576	-
-	-	-	-	168	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	170	-	-
-	-	-	-	-	-
<u>\$ 29,686</u>	<u>\$ 3,014</u>	<u>\$ 6,404</u>	<u>\$ 519,390</u>	<u>\$ 74,661</u>	<u>\$ 250,000</u>
\$ -	\$ 644	\$ -	\$ 6,375	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	644	-	6,375	-	-
-	-	-	-	-	-
-	-	-	170	-	-
-	-	-	-	-	-
-	-	-	-	-	250,000
<u>29,686</u>	<u>2,370</u>	<u>6,404</u>	<u>512,845</u>	<u>74,661</u>	<u>-</u>
<u>29,686</u>	<u>2,370</u>	<u>6,404</u>	<u>513,015</u>	<u>74,661</u>	<u>250,000</u>
<u>\$ 29,686</u>	<u>\$ 3,014</u>	<u>\$ 6,404</u>	<u>\$ 519,390</u>	<u>\$ 74,661</u>	<u>\$ 250,000</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2006

	<u>Transportation Coordination</u>	<u>Certificate Title Administration</u>	<u>Sheriff's Overtime Block Grant</u>	<u>Courthouse Security Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 106,942	\$ 6,789	\$ 58,256	\$ 905
Receivables (net of allowance for uncollectibles):				
Accounts	76,666	5,962	-	-
Loans to other funds	-	-	-	-
Due from other funds.	10,251	-	-	-
Due from other governments.	-	-	-	-
Prepayments	2,549	-	-	-
Materials and supplies inventory	2,125	-	-	-
Total assets	<u>\$ 198,533</u>	<u>\$ 12,751</u>	<u>\$ 58,256</u>	<u>\$ 905</u>
Liabilities:				
Accounts payable	\$ 62,021	\$ -	\$ -	\$ -
Accrued wages and benefits	19,489	-	-	-
Loans from other funds	55,000	-	-	-
Due to other funds.	-	-	-	-
Due to other governments	12,892	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities	<u>149,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	2,549	-	-	-
Reserved for materials and supplies inventory.	2,125	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds.	44,457	12,751	58,256	905
Total fund balances.	<u>49,131</u>	<u>12,751</u>	<u>58,256</u>	<u>905</u>
Total liabilities and fund balances	<u>\$ 198,533</u>	<u>\$ 12,751</u>	<u>\$ 58,256</u>	<u>\$ 905</u>

Federal Equitable Sharing	Scenic Byways	Community Development/ 1999 Grant	Domestic Violence	Jail Kitchen	Indigent Drivers Alcohol
\$ 61,618	\$ 9,250	\$ 5,000	\$ 4,308	\$ 46,573	\$ 83,573
-	-	-	-	1,075	385
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,054	-
<u>\$ 61,618</u>	<u>\$ 9,250</u>	<u>\$ 5,000</u>	<u>\$ 4,308</u>	<u>\$ 51,702</u>	<u>\$ 83,958</u>
\$ -	\$ -	\$ -	\$ 4,010	\$ 1,251	\$ -
-	-	-	-	3,338	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,156	-
-	-	-	-	-	-
-	-	-	4,010	6,745	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,054	-
-	-	-	-	-	-
<u>61,618</u>	<u>9,250</u>	<u>5,000</u>	<u>298</u>	<u>40,903</u>	<u>83,958</u>
<u>61,618</u>	<u>9,250</u>	<u>5,000</u>	<u>298</u>	<u>44,957</u>	<u>83,958</u>
<u>\$ 61,618</u>	<u>\$ 9,250</u>	<u>\$ 5,000</u>	<u>\$ 4,308</u>	<u>\$ 51,702</u>	<u>\$ 83,958</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2006

	<u>Tax Map</u>	<u>Probate Court Conduct of Business</u>	<u>Disaster Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 25,370	\$ 31,134	\$ 73,906
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Accrued interest.	-	-	-
Due from other funds.	-	-	-
Due from other governments	-	-	-
Prepayments	-	-	176
Materials and supplies inventory	-	-	524
Total assets.	<u>\$ 25,370</u>	<u>\$ 31,134</u>	<u>\$ 74,606</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued wages and benefits	1,811	-	1,468
Loans from other funds	-	-	-
Due to other funds	-	-	1,170
Due to other governments	1,227	598	1,010
Deferred revenue.	-	-	-
Total liabilities.	<u>3,038</u>	<u>598</u>	<u>3,648</u>
Fund Balances:			
Reserved for encumbrances	-	-	-
Reserved for prepayments	-	-	176
Reserved for materials and supplies inventory	-	-	524
Unreserved:			
Designated for compensated absences	-	-	-
Undesignated (deficit), reported in:			
Special revenue funds	<u>22,332</u>	<u>30,536</u>	<u>70,258</u>
Total fund balances.	<u>22,332</u>	<u>30,536</u>	<u>70,958</u>
Total liabilities and fund balances	<u>\$ 25,370</u>	<u>\$ 31,134</u>	<u>\$ 74,606</u>

Community Housing Improvement	Youth Services Subsidy Grant	Recycling and Litter	Children Services	Totals
\$ 38,731	\$ 174,849	\$ 62,066	\$ 563,459	\$ 3,179,640
-	-	22,495	-	108,703
-	-	-	-	168
-	-	-	-	10,251
54,717	-	-	83,982	153,248
-	-	900	-	4,229
-	-	271	-	7,725
<u>\$ 93,448</u>	<u>\$ 174,849</u>	<u>\$ 85,732</u>	<u>\$ 647,441</u>	<u>\$ 3,463,964</u>
\$ -	\$ 3,251	\$ 1,742	\$ 25,227	\$ 105,046
-	2,595	4,068	1,382	50,856
-	-	-	-	55,000
-	-	634	-	17,446
-	2,846	1,990	2,590	40,997
54,717	-	9,579	894	65,190
<u>54,717</u>	<u>8,692</u>	<u>18,013</u>	<u>30,093</u>	<u>334,535</u>
-	16,743	-	-	18,214
-	-	900	-	4,229
-	-	271	-	7,725
-	-	-	-	250,000
<u>38,731</u>	<u>149,414</u>	<u>66,548</u>	<u>617,348</u>	<u>2,849,261</u>
<u>38,731</u>	<u>166,157</u>	<u>67,719</u>	<u>617,348</u>	<u>3,129,429</u>
<u>\$ 93,448</u>	<u>\$ 174,849</u>	<u>\$ 85,732</u>	<u>\$ 647,441</u>	<u>\$ 3,463,964</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Dog and Kennel</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>	<u>Real Estate Assessment</u>
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	51,701	-	362,986
Licenses and permits	141,080	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	590,045	126,776	-
Investment income	-	-	-	-
Other	4,299	371	200	635
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	145,379	642,117	126,976	363,621
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	298,636
Judicial	-	-	-	-
Public safety.	-	-	-	-
Public works.	-	-	-	-
Health	132,640	-	-	-
Human services	-	422,800	63,251	-
Conservation and recreation.	-	-	-	-
Capital outlay.	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	132,640	422,800	63,251	298,636
Excess (deficiency) of revenues over (under) expenditures.	<hr/> 12,739	<hr/> 219,317	<hr/> 63,725	<hr/> 64,985
Other financing sources (uses):				
Transfers in.	-	96,305	-	-
Transfers out.	(10,000)	(185,140)	(37,394)	-
Total other financing sources (uses)	<hr/> (10,000)	<hr/> (88,835)	<hr/> (37,394)	<hr/> -
Net change in fund balances	2,739	130,482	26,331	64,985
Fund balance (deficit) at beginning of year .	<hr/> 49,899	<hr/> 327,145	<hr/> 48,951	<hr/> 143,887
Fund balance (deficit) at end of year.	<hr/> <u>\$ 52,638</u>	<hr/> <u>\$ 457,627</u>	<hr/> <u>\$ 75,282</u>	<hr/> <u>\$ 208,872</u>

<u>Delinquent Real Estate Collection</u>	<u>Delinquent Real Estate Prosecutor</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>	<u>Jury Administration</u>	<u>License Bureau</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24,988	24,988	-	-	-	11,852
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,000	54,713	-	-
-	-	-	-	-	-
-	-	36,515	-	399	-
<u>24,988</u>	<u>24,988</u>	<u>45,515</u>	<u>54,713</u>	<u>399</u>	<u>11,852</u>
10,337	20,823	-	-	-	3,778
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	75,216	-	-
-	-	43,374	-	-	-
-	-	-	-	-	-
<u>10,337</u>	<u>20,823</u>	<u>43,374</u>	<u>75,216</u>	<u>-</u>	<u>3,778</u>
14,651	4,165	2,141	(20,503)	399	8,074
-	-	-	12,466	-	-
-	-	-	-	-	-
-	-	-	12,466	-	-
14,651	4,165	2,141	(8,037)	399	8,074
11,395	21,184	(2,719)	3,061	-	-
<u>\$ 26,046</u>	<u>\$ 25,349</u>	<u>\$ (578)</u>	<u>\$ (4,976)</u>	<u>\$ 399</u>	<u>\$ 8,074</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, 2006

	<u>Victim Advocacy/ Office of Criminal Justice</u>	<u>911 Wireless Project</u>	<u>Indigent Guardianship</u>
Revenues:			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	-	2,770
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Intergovernmental	45,000	63,695	-
Investment income	-	-	-
Other	-	-	-
Total revenues	<u>45,000</u>	<u>63,695</u>	<u>2,770</u>
Expenditures:			
Current:			
General government:			
Legislative and executive	-	-	-
Judicial	-	-	-
Public safety	-	-	2,805
Public works	-	-	-
Health	-	-	-
Human services	60,890	-	-
Conservation and recreation	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>60,890</u>	<u>-</u>	<u>2,805</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,890)</u>	<u>63,695</u>	<u>(35)</u>
Other financing sources (uses):			
Transfers in	15,000	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>15,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(890)	63,695	(35)
Fund balance (deficit) at beginning of year .	<u>214</u>	<u>-</u>	<u>1,671</u>
Fund balance (deficit) at end of year	<u>\$ (676)</u>	<u>\$ 63,695</u>	<u>\$ 1,636</u>

<u>General Special Projects Common Pleas</u>	<u>Sheriff Concealed Handgun License</u>	<u>Education and Enforcement</u>	<u>Help America Vote Act</u>	<u>911</u>	<u>Special Projects</u>
\$ -	\$ -	\$ -	\$ -	\$ 24	\$ -
-	-	-	-	-	24,639
-	11,997	-	-	-	-
30,157	-	1,682	-	-	-
-	-	-	-	-	-
-	-	-	-	20,934	168
-	-	-	-	-	-
<u>30,157</u>	<u>11,997</u>	<u>1,682</u>	<u>-</u>	<u>20,958</u>	<u>24,807</u>
-	-	-	-	-	-
10,321	-	-	-	-	14,791
-	10,566	605	-	176,640	-
-	-	-	-	-	-
-	-	-	1,830	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,321</u>	<u>10,566</u>	<u>605</u>	<u>1,830</u>	<u>176,640</u>	<u>14,791</u>
<u>19,836</u>	<u>1,431</u>	<u>1,077</u>	<u>(1,830)</u>	<u>(155,682)</u>	<u>10,016</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,836	1,431	1,077	(1,830)	(155,682)	10,016
<u>9,850</u>	<u>939</u>	<u>5,327</u>	<u>1,830</u>	<u>668,697</u>	<u>64,645</u>
<u>\$ 29,686</u>	<u>\$ 2,370</u>	<u>\$ 6,404</u>	<u>\$ -</u>	<u>\$ 513,015</u>	<u>\$ 74,661</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, 2006

	<u>Employee Expended</u>	<u>Transportation Coordination</u>	<u>Certificate Title Administration</u>
Revenues:			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	1,105,899	99,522
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Intergovernmental	-	215,400	-
Investment income	-	-	-
Other	-	2,500	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	1,323,799	99,522
Expenditures:			
Current:			
General government:			
Legislative and executive	-	-	96,000
Judicial	-	-	-
Public safety	-	-	-
Public works	-	1,293,021	-
Health	-	-	-
Human services	-	-	-
Conservation and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	1,293,021	96,000
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	-	30,778	3,522
Other financing sources (uses):			
Transfers in	-	25,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<hr/>	<hr/>	<hr/>
	-	25,000	-
Net change in fund balances	-	55,778	3,522
Fund balance (deficit) at beginning of year .	<hr/>	<hr/>	<hr/>
	250,000	(6,647)	9,229
Fund balance (deficit) at end of year	<hr/>	<hr/>	<hr/>
	\$ 250,000	\$ 49,131	\$ 12,751

Sheriff's Overtime Block Grant	Courthouse Security Grant	Federal Equitable Sharing	Scenic Byways	Community Development	Community Development/ 1999 Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,117	-	7,915	-	53,000	169,200
-	-	-	-	-	-
-	-	-	-	5,000	29,800
<u>29,117</u>	<u>-</u>	<u>7,915</u>	<u>-</u>	<u>58,000</u>	<u>199,000</u>
-	-	-	-	61,338	194,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,092	6,129	-	-	-
<u>-</u>	<u>2,092</u>	<u>6,129</u>	<u>-</u>	<u>61,338</u>	<u>194,000</u>
29,117	(2,092)	1,786	-	(3,338)	5,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,117	(2,092)	1,786	-	(3,338)	5,000
29,139	2,997	59,832	9,250	3,338	-
<u>\$ 58,256</u>	<u>\$ 905</u>	<u>\$ 61,618</u>	<u>\$ 9,250</u>	<u>\$ -</u>	<u>\$ 5,000</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, 2006

	<u>Domestic Violence</u>	<u>Jail Kitchen</u>	<u>Indigent Drivers Alcohol</u>
Revenues:			
Sales taxes	\$ -	\$ -	\$ -
Charges for services	-	1,005	-
Licenses and permits	-	-	-
Fines and forfeitures	8,585	-	6,507
Intergovernmental	-	-	-
Investment income	-	-	-
Other	-	1,324	-
	<hr/>	<hr/>	<hr/>
Total revenues	8,585	2,329	6,507
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
General government:			
Legislative and executive	-	-	-
Judicial	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health	-	-	-
Human services	11,860	204,585	78
Conservation and recreation	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	11,860	204,585	78
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(3,275)	(202,256)	6,429
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	250,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<hr/>	<hr/>	<hr/>
	-	250,000	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(3,275)	47,744	6,429
	<hr/>	<hr/>	<hr/>
Fund balance (deficit) at beginning of year . .	3,573	(2,787)	77,529
	<hr/>	<hr/>	<hr/>
Fund balance (deficit) at end of year	<u>\$ 298</u>	<u>\$ 44,957</u>	<u>\$ 83,958</u>

<u>Tax Map</u>	<u>Probate Court Conduct of Business</u>	<u>Disaster Services</u>	<u>Community Housing Improvement</u>	<u>Youth Services Subsidy Grant</u>	<u>Recycling and Litter</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
146,848	-	-	-	-	2,085
-	-	-	-	-	172,205
-	16,719	-	-	-	-
-	58,785	47,860	203,744	176,274	-
-	-	-	-	-	-
4,329	-	39,035	-	5,155	-
<u>151,177</u>	<u>75,504</u>	<u>86,895</u>	<u>203,744</u>	<u>181,429</u>	<u>174,290</u>
154,630	-	-	205,308	-	-
-	107,085	-	-	-	-
-	-	112,884	-	176,602	-
-	-	-	-	-	217,368
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>154,630</u>	<u>107,085</u>	<u>112,884</u>	<u>205,308</u>	<u>176,602</u>	<u>217,368</u>
<u>(3,453)</u>	<u>(31,581)</u>	<u>(25,989)</u>	<u>(1,564)</u>	<u>4,827</u>	<u>(43,078)</u>
-	-	35,000	-	-	-
-	-	-	-	-	-
-	-	35,000	-	-	-
<u>(3,453)</u>	<u>(31,581)</u>	<u>9,011</u>	<u>(1,564)</u>	<u>4,827</u>	<u>(43,078)</u>
<u>25,785</u>	<u>62,117</u>	<u>61,947</u>	<u>40,295</u>	<u>161,330</u>	<u>110,797</u>
<u>\$ 22,332</u>	<u>\$ 30,536</u>	<u>\$ 70,958</u>	<u>\$ 38,731</u>	<u>\$ 166,157</u>	<u>\$ 67,719</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, 2006

	<u>Children Services</u>	<u>Community Corrections</u>	<u>Totals</u>
Revenues:			
Sales taxes	\$ -	\$ -	\$ 24
Charges for services	-	-	1,859,283
Licenses and permits	-	-	325,282
Fines and forfeitures	-	-	63,650
Intergovernmental	788,430	45,548	2,684,502
Investment income	-	-	21,102
Other	85,841	-	215,403
Total revenues	<u>874,271</u>	<u>45,548</u>	<u>5,169,246</u>
Expenditures:			
Current:			
General government:			
Legislative and executive	-	-	1,044,850
Judicial	-	-	132,197
Public safety	-	126,421	606,523
Public works	-	-	1,510,389
Health	-	-	132,640
Human services	560,081	-	1,400,591
Conservation and recreation	-	-	43,374
Capital outlay	-	-	8,221
Total expenditures	<u>560,081</u>	<u>126,421</u>	<u>4,878,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>314,190</u>	<u>(80,873)</u>	<u>290,461</u>
Other financing sources (uses):			
Transfers in	254,545	-	688,316
Transfers out	(555,928)	-	(788,462)
Total other financing sources (uses)	<u>(301,383)</u>	<u>-</u>	<u>(100,146)</u>
Net change in fund balances	12,807	(80,873)	190,315
Fund balance (deficit) at beginning of year . .	<u>604,541</u>	<u>80,873</u>	<u>2,939,114</u>
Fund balance (deficit) at end of year	<u>\$ 617,348</u>	<u>\$ -</u>	<u>\$ 3,129,429</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,833,742	\$ 2,833,742	\$ 3,025,751	\$ 192,009
Charges for services	259,633	259,633	254,122	(5,511)
Intergovernmental	1,741,505	1,741,505	1,757,023	15,518
Investment income	1,800	1,800	2,311	511
Other	364,303	369,312	399,892	30,580
	<u>5,200,983</u>	<u>5,205,992</u>	<u>5,439,099</u>	<u>233,107</u>
Expenditures:				
Current:				
Human services				
Personal services.	3,922,036	3,911,466	3,665,150	246,316
Materials and supplies	297,655	313,913	292,467	21,446
Contractual services	1,340,064	1,338,342	1,278,804	59,538
Capital outlay	95,720	96,320	64,811	31,509
Other.	42,011	44,581	18,999	25,582
	<u>5,697,486</u>	<u>5,704,622</u>	<u>5,320,231</u>	<u>384,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(496,503)</u>	<u>(498,630)</u>	<u>118,868</u>	<u>617,498</u>
Other financing sources (uses):				
Transfers in	38,500	38,500	1,152	(37,348)
Transfers out	(125,000)	(125,000)	(100,000)	25,000
	<u>(86,500)</u>	<u>(86,500)</u>	<u>(98,848)</u>	<u>(12,348)</u>
Net change in fund balance.	(583,003)	(585,130)	20,020	605,150
Fund balance at beginning of year	2,197,737	2,197,737	2,197,737	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1,614,734</u>	<u>\$ 1,612,607</u>	<u>\$ 2,217,757</u>	<u>\$ 605,150</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 35,000	\$ 45,000	\$ 71,212	\$ 26,212
Intergovernmental.	3,801,488	3,801,488	4,120,850	319,362
Investment income	30,700	30,700	53,449	22,749
Other	104,812	104,812	182,471	77,659
	<u>3,972,000</u>	<u>3,982,000</u>	<u>4,427,982</u>	<u>445,982</u>
Expenditures:				
Current:				
Public works				
Personal services.	2,035,141	2,036,891	1,879,911	156,980
Materials and supplies	1,615,000	1,579,000	1,491,617	87,383
Contractual services	1,165,319	675,319	149,964	525,355
Capital outlay	820,000	1,351,250	1,256,180	95,070
Other.	32,000	25,000	8,177	16,823
	<u>5,667,460</u>	<u>5,667,460</u>	<u>4,785,849</u>	<u>881,611</u>
Total expenditures	<u>5,667,460</u>	<u>5,667,460</u>	<u>4,785,849</u>	<u>881,611</u>
Net change in fund balance	(1,695,460)	(1,685,460)	(357,867)	1,327,593
Fund balance at beginning of year	1,695,459	1,695,459	1,695,459	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ (1)</u>	<u>\$ 9,999</u>	<u>\$ 1,337,592</u>	<u>\$ 1,327,593</u>

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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 923,460	\$ 923,460	\$ 902,158	\$ (21,302)
Charges for services	437,000	437,000	473,882	36,882
Intergovernmental	89,600	117,400	113,400	(4,000)
Rentals	31,285	31,285	38,952	7,667
Other	6,200	6,200	20,363	14,163
	<u>1,487,545</u>	<u>1,515,345</u>	<u>1,548,755</u>	<u>33,410</u>
Expenditures:				
Current:				
Human services				
Personal services	1,139,543	1,130,711	1,111,953	18,758
Materials and supplies	180,250	180,250	147,260	32,990
Contractual services	125,866	136,348	122,660	13,688
Capital outlay	72,100	92,750	25,708	67,042
Other	7,725	13,225	9,899	3,326
	<u>1,525,484</u>	<u>1,553,284</u>	<u>1,417,480</u>	<u>135,804</u>
Net change in fund balance	(37,939)	(37,939)	131,275	169,214
Fund balance at beginning of year	106,674	106,674	106,674	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 68,735</u>	<u>\$ 68,735</u>	<u>\$ 237,949</u>	<u>\$ 169,214</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,338,757	\$ 2,338,757	\$ 2,233,086	\$ (105,671)
Other	381,555	381,555	201,697	(179,858)
Total revenues	<u>2,720,312</u>	<u>2,720,312</u>	<u>2,434,783</u>	<u>(285,529)</u>
Expenditures:				
Current:				
Human services				
Personal services	1,995,666	1,995,666	1,714,939	280,727
Materials and supplies	61,000	61,000	46,347	14,653
Contractual services	710,000	710,000	297,008	412,992
Capital outlay	70,000	70,000	37,959	32,041
Other	<u>1,733,190</u>	<u>1,733,190</u>	<u>1,600,677</u>	<u>132,513</u>
Total expenditures	<u>4,569,856</u>	<u>4,569,856</u>	<u>3,696,930</u>	<u>872,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,849,544)</u>	<u>(1,849,544)</u>	<u>(1,262,147)</u>	<u>587,397</u>
Other financing sources (uses):				
Transfers in	841,301	841,301	890,972	49,671
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	-	<u>3,000</u>
Total other financing sources (uses)	<u>838,301</u>	<u>838,301</u>	<u>890,972</u>	<u>52,671</u>
Net change in fund balance	(1,011,243)	(1,011,243)	(371,175)	640,068
Fund balance at beginning of year	950,135	950,135	950,135	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ (61,108)</u>	<u>\$ (61,108)</u>	<u>\$ 578,960</u>	<u>\$ 640,068</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 129,000	\$ 129,000	\$ 140,999	\$ 11,999
Other	3,000	3,000	4,299	1,299
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>145,298</u>	<u>13,298</u>
Expenditures:				
Current:				
Health				
Personal services.	123,279	122,398	116,241	6,157
Materials and supplies	3,700	3,000	2,296	704
Other.	<u>14,000</u>	<u>16,178</u>	<u>15,248</u>	<u>930</u>
Total expenditures	<u>140,979</u>	<u>141,576</u>	<u>133,785</u>	<u>7,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,979)</u>	<u>(9,576)</u>	<u>11,513</u>	<u>21,089</u>
Other financing uses:				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance.	(18,979)	(19,576)	1,513	21,089
Fund balance at beginning of year	52,638	52,638	52,638	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u><u>\$ 33,659</u></u>	<u><u>\$ 33,062</u></u>	<u><u>\$ 54,151</u></u>	<u><u>\$ 21,089</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 51,388	\$ 51,388	\$ 51,701	\$ 313
Intergovernmental	607,596	607,596	580,277	(27,319)
Other	2,000	2,000	18	(1,982)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	660,984	660,984	631,996	(28,988)
Expenditures:				
Current:				
Human services				
Personal services.	312,289	312,289	258,158	54,131
Materials and supplies	3,000	3,000	200	2,800
Contractual services	201,000	201,000	152,215	48,785
Other.	41,000	41,000	13,158	27,842
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	557,289	557,289	423,731	133,558
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	103,695	103,695	208,265	104,570
Other financing sources (uses):				
Transfers in	96,305	96,305	96,305	-
Transfers out	(551,386)	(551,386)	(185,140)	366,246
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(455,081)	(455,081)	(88,835)	366,246
Net change in fund balance	(351,386)	(351,386)	119,430	470,816
Fund balance at beginning of year	351,387	351,387	351,387	-
Prior year encumbrances appropriated	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 470,817</u>	<u>\$ 470,816</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORK ENFORCEMENT ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 164,047	\$ 164,047	\$ 126,776	\$ (37,271)
Other	22,000	22,000	200	(21,800)
Total revenues	<u>186,047</u>	<u>186,047</u>	<u>126,976</u>	<u>(59,071)</u>
Expenditures:				
Human Services				
Personal services.	193,000	193,000	64,016	128,984
Other.	5,000	5,000	4,238	762
Total expenditures	<u>198,000</u>	<u>198,000</u>	<u>68,254</u>	<u>129,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,953)</u>	<u>(11,953)</u>	<u>58,722</u>	<u>70,675</u>
Other financing sources (uses):				
Transfers in	23,000	23,000	-	(23,000)
Transfers out.	(65,000)	(65,000)	(37,394)	27,606
Total other financing sources (uses)	<u>(42,000)</u>	<u>(42,000)</u>	<u>(37,394)</u>	<u>4,606</u>
Net change in fund balance.	(53,953)	(53,953)	21,328	75,281
Fund balance at beginning of year	53,954	53,954	53,954	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 75,282</u>	<u>\$ 75,281</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILD NEGLECT AND ABUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Expenditures:				
Current:				
Human services				
Other	<u>22,643</u>	<u>22,643</u>	<u>-</u>	<u>22,643</u>
Total expenditures	<u>22,643</u>	<u>22,643</u>	<u>-</u>	<u>22,643</u>
Net change in fund balance	(4,643)	(4,643)	-	4,643
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>\$ (4,643)</u>	<u>\$ (4,643)</u>	<u>\$ -</u>	<u>\$ 4,643</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REAL ESTATE ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 330,000	\$ 330,000	\$ 362,986	\$ 32,986
Other	250	250	635	385
Total revenues	<u>330,250</u>	<u>330,250</u>	<u>363,621</u>	<u>33,371</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	220,200	224,124	207,829	16,295
Materials and supplies	15,000	11,076	6,743	4,333
Contractual services	150,300	150,300	79,898	70,402
Other.	<u>29,540</u>	<u>29,540</u>	<u>10,425</u>	<u>19,115</u>
Total expenditures	<u>415,040</u>	<u>415,040</u>	<u>304,895</u>	<u>110,145</u>
Net change in fund balance.	(84,790)	(84,790)	58,726	143,516
Fund balance at beginning of year	150,220	150,220	150,220	-
Prior year encumbrances appropriated	<u>4,840</u>	<u>4,840</u>	<u>4,840</u>	<u>-</u>
Fund balance at end of year	<u>\$ 70,270</u>	<u>\$ 70,270</u>	<u>\$ 213,786</u>	<u>\$ 143,516</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 24,000	\$ 24,000	\$ 24,988	\$ 988
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>24,988</u>	<u>988</u>
Expenditures:				
Current:				
General government - legislative and executive				
Other.	<u>35,000</u>	<u>35,000</u>	<u>10,337</u>	<u>24,663</u>
Total expenditures.	<u>35,000</u>	<u>35,000</u>	<u>10,337</u>	<u>24,663</u>
Net change in fund balance.	(11,000)	(11,000)	14,651	25,651
Fund balance at beginning of year.	11,395	11,395	11,395	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 395</u>	<u>\$ 395</u>	<u>\$ 26,046</u>	<u>\$ 25,651</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 24,988	\$ 24,988	\$ -
Total revenues	<u>-</u>	<u>24,988</u>	<u>24,988</u>	<u>-</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	-	15,114	15,105	9
Materials and supplies	-	4,340	4,340	-
Other	-	1,150	1,150	-
Total expenditures	<u>-</u>	<u>20,604</u>	<u>20,595</u>	<u>9</u>
Net change in fund balance	-	4,384	4,393	9
Fund balance at beginning of year	21,602	21,602	21,602	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,602</u>	<u>\$ 25,986</u>	<u>\$ 25,995</u>	<u>\$ 9</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 9,000	\$ (36,000)
Other	-	515	36,515	36,000
Total revenues.	<u>45,000</u>	<u>45,515</u>	<u>45,515</u>	<u>-</u>
Expenditures:				
Current:				
Conservation and recreation				
Personal services.	44,925	45,516	45,516	-
Other.	75	-	-	-
Total expenditures	<u>45,000</u>	<u>45,516</u>	<u>45,516</u>	<u>-</u>
Net change in fund balance	-	(1)	(1)	-
Fund balance at beginning of year	1	1	1	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1</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)
 VICTIMS ASSISTANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 37,399	\$ 98,949	\$ 54,713	\$ (44,236)
Other	-	1,324	-	(1,324)
Total revenues	<u>37,399</u>	<u>100,273</u>	<u>54,713</u>	<u>(45,560)</u>
Expenditures:				
Current:				
Human services				
Personal services	49,165	122,133	67,582	54,551
Materials and supplies	1,241	2,816	1,337	1,479
Contractual services	2,366	3,073	1,989	1,084
Capital Outlay	-	1,809	1,790	19
Other	292	5,638	2,948	2,690
Total expenditures	<u>53,064</u>	<u>135,469</u>	<u>75,646</u>	<u>59,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,665)</u>	<u>(35,196)</u>	<u>(20,933)</u>	<u>14,263</u>
Other financing sources:				
Transfers in	12,466	29,420	12,466	(16,954)
Total other financing sources	<u>12,466</u>	<u>29,420</u>	<u>12,466</u>	<u>(16,954)</u>
Net change in fund balance	(3,199)	(5,776)	(8,467)	(2,691)
Fund balance at beginning of year	3,870	3,870	3,870	-
Prior year encumbrances appropriated	<u>1,906</u>	<u>1,906</u>	<u>1,906</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,577</u>	<u>\$ -</u>	<u>\$ (2,691)</u>	<u>\$ (2,691)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JURY ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 399	\$ 399
Total revenues	-	-	399	399
Net change in fund balance	-	-	399	399
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399</u>	<u>\$ 399</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LICENSE BUREAU FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 11,852	\$ 11,852	\$ -
Total revenues	<u>-</u>	<u>11,852</u>	<u>11,852</u>	<u>-</u>
Net change in fund balance.	-	11,852	11,852	-
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>\$ 11,852</u>	<u>\$ 11,852</u>	<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Expenditures:				
Current:				
Human services				
Personal services	58,675	58,675	58,609	66
Materials and supplies	180	180	180	-
Capital Outlay	35	35	30	5
Other	<u>1,110</u>	<u>3,551</u>	<u>2,972</u>	<u>579</u>
Total expenditures	<u>60,000</u>	<u>62,441</u>	<u>61,791</u>	<u>650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,000)</u>	<u>(17,441)</u>	<u>(16,791)</u>	<u>650</u>
Other financing sources:				
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)	(1,791)	650
Fund balance at beginning of year	2,441	2,441	2,441	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,441</u>	<u>\$ -</u>	<u>\$ 650</u>	<u>\$ 650</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 911 WIRELESS PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 25,000	\$ 63,695	\$ 38,695
Total revenues	<u>-</u>	<u>25,000</u>	<u>63,695</u>	<u>38,695</u>
Net change in fund balance.	-	25,000	63,695	38,695
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>\$ 25,000</u>	<u>\$ 63,695</u>	<u>\$ 38,695</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 3,400	\$ 3,400	\$ 2,770	\$ (630)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>2,770</u>	<u>(630)</u>
Expenditures:				
Current:				
Public safety				
Materials and supplies	<u>5,000</u>	<u>5,000</u>	<u>2,805</u>	<u>2,195</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,805</u>	<u>2,195</u>
Net change in fund balance.	(1,600)	(1,600)	(35)	1,565
Fund balance at beginning of year	1,671	1,671	1,671	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 71</u>	<u>\$ 71</u>	<u>\$ 1,636</u>	<u>\$ 1,565</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 13,000	\$ 13,000	\$ 30,157	\$ 17,157
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>30,157</u>	<u>17,157</u>
Expenditures:				
Current:				
General government - judicial				
Contractual services	7,000	2,506	-	2,506
Capital outlay	20,000	20,000	10,321	9,679
Other.	1,000	5,494	5,494	-
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>15,815</u>	<u>12,185</u>
Net change in fund balance	(15,000)	(15,000)	14,342	29,342
Fund balance at beginning of year	15,344	15,344	15,344	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 344</u>	<u>\$ 344</u>	<u>\$ 29,686</u>	<u>\$ 29,342</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 10,000	\$ 10,000	\$ 11,997	\$ 1,997
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>11,997</u>	<u>1,997</u>
Expenditures:				
Current:				
Public Safety				
Personal services.	10,000	10,000	9,922	78
Materials and supplies	939	939	-	939
Total expenditures	<u>10,939</u>	<u>10,939</u>	<u>9,922</u>	<u>1,017</u>
Net change in fund balance	(939)	(939)	2,075	3,014
Fund balance at beginning of year	939	939	939	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,014</u></u>	<u><u>\$ 3,014</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 1,808	\$ 1,808	\$ 1,707	\$ (101)
Total revenues.	<u>1,808</u>	<u>1,808</u>	<u>1,707</u>	<u>(101)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	<u>7,000</u>	<u>7,000</u>	<u>605</u>	<u>6,395</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>605</u>	<u>6,395</u>
Net change in fund balance.	(5,192)	(5,192)	1,102	6,294
Fund balance at beginning of year	5,192	5,192	5,192	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,294</u>	<u>\$ 6,294</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Expenditures:				
Current:				
Human services				
Personal services	\$ -	\$ 1,830	\$ 1,830	\$ -
Total expenditures	-	1,830	1,830	-
Net change in fund balance.	-	(1,830)	(1,830)	-
Fund balance at beginning of year	1,830	1,830	1,830	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 1,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 911 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 50	\$ 50	\$ 24	\$ (26)
Investment income	18,000	18,000	21,296	3,296
Total revenues	<u>18,050</u>	<u>18,050</u>	<u>21,320</u>	<u>3,270</u>
Expenditures:				
Current:				
Public safety				
Personal services	1,500	1,500	979	521
Materials and supplies	500	500	-	500
Contractual services	31,000	31,000	22,362	8,638
Capital outlay	350,000	350,000	314,336	35,664
Other	4,000	4,000	3,653	347
Total expenditures	<u>387,000</u>	<u>387,000</u>	<u>341,330</u>	<u>45,670</u>
Net change in fund balance	(368,950)	(368,950)	(320,010)	48,940
Fund balance at beginning of year	839,230	839,230	839,230	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 470,280</u>	<u>\$ 470,280</u>	<u>\$ 519,220</u>	<u>\$ 48,940</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 12,500	\$ 12,500	\$ 23,158	\$ 10,658
Other	-	-	1,408	1,408
Total revenues	<u>12,500</u>	<u>12,500</u>	<u>24,566</u>	<u>12,066</u>
Expenditures:				
Current:				
General government - judicial				
Materials and supplies	15,000	15,000	14,791	209
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,791</u>	<u>209</u>
Net change in fund balance.	(2,500)	(2,500)	9,775	12,275
Fund balance at beginning of year	63,142	63,142	63,142	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u><u>\$ 60,642</u></u>	<u><u>\$ 60,642</u></u>	<u><u>\$ 72,917</u></u>	<u><u>\$ 12,275</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Net change in fund balance	(30,000)	(30,000)	-	30,000
Fund balance at beginning of year	250,000	250,000	250,000	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 220,000</u>	<u>\$ 220,000</u>	<u>\$ 250,000</u>	<u>\$ 30,000</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 769,207	\$ 946,207	\$ 1,021,482	\$ 75,275
Intergovernmental	169,793	235,193	215,400	(19,793)
Total revenues	<u>939,000</u>	<u>1,181,400</u>	<u>1,236,882</u>	<u>55,482</u>
Expenditures:				
Current:				
Public works				
Personal services.	532,970	828,353	810,460	17,893
Materials and supplies	155,000	221,780	221,469	311
Contractual services	168,863	180,315	151,859	28,456
Capital outlay	70,000	52,385	52,385	-
Other.	20,000	18,000	13,747	4,253
Total expenditures	<u>946,833</u>	<u>1,300,833</u>	<u>1,249,920</u>	<u>50,913</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(7,833)</u>	<u>(119,433)</u>	<u>(13,038)</u>	<u>106,395</u>
Other financing sources:				
Transfers in	25,000	25,000	25,000	-
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance.	17,167	(94,433)	11,962	106,395
Fund balance at beginning of year	94,617	94,617	94,617	-
Prior year encumbrances appropriated	363	363	363	-
Fund balance at end of year	<u>\$ 112,147</u>	<u>\$ 547</u>	<u>\$ 106,942</u>	<u>\$ 106,395</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 85,000	\$ 91,702	\$ 98,051	\$ 6,349
Total revenues.	<u>85,000</u>	<u>91,702</u>	<u>98,051</u>	<u>6,349</u>
Expenditures:				
Current:				
General government - legislative and executive				
Other.	<u>85,000</u>	<u>96,440</u>	<u>96,000</u>	<u>440</u>
Total expenditures	<u>85,000</u>	<u>96,440</u>	<u>96,000</u>	<u>440</u>
Net change in fund balance.	-	(4,738)	2,051	6,789
Fund balance at beginning of year	4,738	4,738	4,738	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,738</u>	<u>\$ -</u>	<u>\$ 6,789</u>	<u>\$ 6,789</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental.	\$ -	\$ -	\$ 29,117	\$ 29,117
Total revenues.	-	-	29,117	29,117
Net change in fund balance.	-	-	29,117	29,117
Fund balance at beginning of year	29,139	29,139	29,139	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 29,139</u>	<u>\$ 29,139</u>	<u>\$ 58,256</u>	<u>\$ 29,117</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Capital outlay	\$ -	\$ 2,997	\$ 2,092	\$ 905
Total expenditures	-	2,997	2,092	905
Net change in fund balance	-	(2,997)	(2,092)	905
Fund balance at beginning of year	2,997	2,997	2,997	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 2,997</u>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 905</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTHFUL IMPAIRED DRIVER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 23,000	\$ 23,000	\$ -	\$ (23,000)
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>-</u>	<u>(23,000)</u>
Net change in fund balance.	23,000	23,000	-	(23,000)
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>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ -</u>	<u>\$ (23,000)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 7,915	\$ 7,915
Total revenues	<u>-</u>	<u>-</u>	<u>7,915</u>	<u>7,915</u>
Expenditures:				
Current:				
Public safety				
Capital outlay.	<u>20,377</u>	<u>20,377</u>	<u>6,129</u>	<u>14,248</u>
Total expenditures	<u>20,377</u>	<u>20,377</u>	<u>6,129</u>	<u>14,248</u>
Net change in fund balance.	(20,377)	(20,377)	1,786	22,163
Fund balance at beginning of year	55,455	55,455	55,455	-
Prior year encumbrances appropriated	<u>4,377</u>	<u>4,377</u>	<u>4,377</u>	<u>-</u>
Fund balance at end of year	<u>\$ 39,455</u>	<u>\$ 39,455</u>	<u>\$ 61,618</u>	<u>\$ 22,163</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 9,250	\$ 9,250	\$ 9,250	\$ -
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 9,250</u>	<u>\$ 9,250</u>	<u>\$ 9,250</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 53,000	\$ 53,000	\$ -
Other	-	5,000	5,000	-
Total revenues	<u>-</u>	<u>58,000</u>	<u>58,000</u>	<u>-</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	-	5,526	5,526	-
Contractual services	-	55,812	55,812	-
Total expenditures	<u>-</u>	<u>61,338</u>	<u>61,338</u>	<u>-</u>
Net change in fund balance	-	(3,338)	(3,338)	-
Fund balance at beginning of year	3,338	3,338	3,338	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,338</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 199,000	\$ 169,200	\$ (29,800)
Other	-	-	29,800	29,800
Total revenues	<u>-</u>	<u>199,000</u>	<u>199,000</u>	<u>-</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	-	133,664	133,664	-
Contractual services	-	65,336	60,336	5,000
Total expenditures	<u>-</u>	<u>199,000</u>	<u>194,000</u>	<u>5,000</u>
Net change in fund balance.	-	-	5,000	5,000
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,000</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 4,600	\$ 4,600	\$ 8,585	\$ 3,985
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>8,585</u>	<u>3,985</u>
Expenditures:				
Current:				
Human services				
Contractual services	<u>-</u>	<u>7,850</u>	<u>7,850</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>7,850</u>	<u>7,850</u>	<u>-</u>
Net change in fund balance.	4,600	(3,250)	735	3,985
Fund balance at beginning of year	3,573	3,573	3,573	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,173</u>	<u>\$ 323</u>	<u>\$ 4,308</u>	<u>\$ 3,985</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 1,005	\$ 505
Other	-	-	249	249
Total revenues.	<u>500</u>	<u>500</u>	<u>1,254</u>	<u>754</u>
Expenditures:				
Current:				
Human services				
Personal services.	147,841	147,921	135,699	12,222
Materials and supplies	88,000	88,000	64,640	23,360
Contractual services	8,500	8,500	5,354	3,146
Other.	<u>450</u>	<u>370</u>	<u>59</u>	<u>311</u>
Total expenditures	<u>244,791</u>	<u>244,791</u>	<u>205,752</u>	<u>39,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(244,291)</u>	<u>(244,291)</u>	<u>(204,498)</u>	<u>39,793</u>
Other financing sources:				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance.	5,709	5,709	45,502	39,793
Fund balance at beginning of year	1,071	1,071	1,071	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,780</u>	<u>\$ 6,780</u>	<u>\$ 46,573</u>	<u>\$ 39,793</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 5,000	\$ 5,000	\$ 6,368	\$ 1,368
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,368</u>	<u>1,368</u>
Expenditures:				
Current:				
Human services				
Personal services.	5,000	4,500	-	4,500
Materials and supplies.	-	500	78	422
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>78</u>	<u>4,922</u>
Net change in fund balance.	-	-	6,290	6,290
Fund balance at beginning of year.	77,283	77,283	77,283	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 77,283</u></u>	<u><u>\$ 77,283</u></u>	<u><u>\$ 83,573</u></u>	<u><u>\$ 6,290</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 136,000	\$ 136,000	\$ 146,848	\$ 10,848
Other.	12,300	27,300	4,329	(22,971)
Total revenues	148,300	163,300	151,177	(12,123)
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	88,405	88,405	83,439	4,966
Materials and supplies	2,000	2,000	666	1,334
Contractual services	2,000	16,000	3,599	12,401
Capital outlay	6,000	66,000	57,374	8,626
Other.	9,000	17,779	9,979	7,800
Total expenditures	107,405	190,184	155,057	35,127
Net change in fund balance.	40,895	(26,884)	(3,880)	23,004
Fund balance at beginning of year.	29,250	29,250	29,250	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 70,145	\$ 2,366	\$ 25,370	\$ 23,004

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 16,000	\$ 16,000	\$ 16,719	\$ 719
Intergovernmental	58,785	58,785	58,785	-
Total revenues	<u>74,785</u>	<u>74,785</u>	<u>75,504</u>	<u>719</u>
Expenditures:				
Current:				
General government - judicial				
Personal services.	59,551	59,551	52,740	6,811
Capital outlay	15,000	24,300	15,427	8,873
Other	-	39,546	39,228	318
Total expenditures	<u>74,551</u>	<u>123,397</u>	<u>107,395</u>	<u>16,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>234</u>	<u>(48,612)</u>	<u>(31,891)</u>	<u>16,721</u>
Other financing uses:				
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	-	<u>2,000</u>
Total other financing uses	<u>(2,000)</u>	<u>(2,000)</u>	-	<u>2,000</u>
Net change in fund balance	(1,766)	(50,612)	(31,891)	18,721
Fund balance at beginning of year	63,025	63,025	63,025	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u><u>\$ 61,259</u></u>	<u><u>\$ 12,413</u></u>	<u><u>\$ 31,134</u></u>	<u><u>\$ 18,721</u></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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 42,586	\$ 42,586	\$ 47,860	\$ 5,274
Other	29,618	39,035	39,035	-
Total revenues	<u>72,204</u>	<u>81,621</u>	<u>86,895</u>	<u>5,274</u>
Expenditures:				
Current:				
Public safety				
Personal services	94,375	98,989	71,516	27,473
Materials and supplies	1,000	517	409	108
Contractual services	23,209	21,066	-	21,066
Capital outlay	5,000	2,857	2,185	672
Other	37,084	46,656	37,383	9,273
Total expenditures	<u>160,668</u>	<u>170,085</u>	<u>111,493</u>	<u>58,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,464)</u>	<u>(88,464)</u>	<u>(24,598)</u>	<u>63,866</u>
Other financing sources:				
Transfer in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance	(53,464)	(53,464)	10,402	63,866
Fund balance at beginning of year	63,504	63,504	63,504	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 10,040</u>	<u>\$ 10,040</u>	<u>\$ 73,906</u>	<u>\$ 63,866</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 131,675	\$ 217,075	\$ 207,744	\$ (9,331)
Total revenues	<u>131,675</u>	<u>217,075</u>	<u>207,744</u>	<u>(9,331)</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	54,950	54,950	51,339	3,611
Contractual services.	<u>71,975</u>	<u>181,375</u>	<u>155,144</u>	<u>26,231</u>
Total expenditures.	<u>126,925</u>	<u>236,325</u>	<u>206,483</u>	<u>29,842</u>
Net change in fund balance	4,750	(19,250)	1,261	20,511
Fund balance at beginning of year	37,470	37,470	37,470	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,220</u>	<u>\$ 18,220</u>	<u>\$ 38,731</u>	<u>\$ 20,511</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 171,425	\$ 384,447	\$ 176,274	\$ (208,173)
Other	1,000	1,000	5,155	4,155
Total revenues	<u>172,425</u>	<u>385,447</u>	<u>181,429</u>	<u>(204,018)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	119,852	238,764	115,126	123,638
Materials and supplies	500	5,500	229	5,271
Contractual services	75,685	163,945	77,100	86,845
Other.	<u>5,670</u>	<u>12,520</u>	<u>4,394</u>	<u>8,126</u>
Total expenditures	<u>201,707</u>	<u>420,729</u>	<u>196,849</u>	<u>223,880</u>
Net change in fund balance.	(29,282)	(35,282)	(15,420)	19,862
Fund balance at beginning of year	159,345	159,345	159,345	-
Prior year encumbrances appropriated	<u>10,930</u>	<u>10,930</u>	<u>10,930</u>	<u>-</u>
Fund balance at end of year	<u>\$ 140,993</u>	<u>\$ 134,993</u>	<u>\$ 154,855</u>	<u>\$ 19,862</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,000	\$ 1,000	\$ 2,085	\$ 1,085
Licenses and permits.	160,000	160,000	172,361	12,361
Total revenues	<u>161,000</u>	<u>161,000</u>	<u>174,446</u>	<u>13,446</u>
Expenditures:				
Current:				
Public works				
Personal services.	131,065	167,313	166,730	583
Contractual services	47,500	63,915	47,166	16,749
Total expenditures	<u>178,565</u>	<u>231,228</u>	<u>213,896</u>	<u>17,332</u>
Net change in fund balance.	(17,565)	(70,228)	(39,450)	30,778
Fund balance at beginning of year	101,516	101,516	101,516	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 83,951</u>	<u>\$ 31,288</u>	<u>\$ 62,066</u>	<u>\$ 30,778</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 811,776	\$ 816,764	\$ 734,727	\$ (82,037)
Other	105,000	105,000	85,841	(19,159)
Total revenues	<u>916,776</u>	<u>921,764</u>	<u>820,568</u>	<u>(101,196)</u>
Expenditures:				
Current:				
Human services				
Personal services	43,142	44,975	44,670	305
Contractual services	720,332	720,332	350,155	370,177
Other	339,468	339,468	174,972	164,496
Total expenditures	<u>1,102,942</u>	<u>1,104,775</u>	<u>569,797</u>	<u>534,978</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186,166)</u>	<u>(183,011)</u>	<u>250,771</u>	<u>433,782</u>
Other financing sources (uses):				
Transfers in	324,982	324,982	254,545	(70,437)
Transfers out	(750,000)	(751,152)	(555,928)	195,224
Total other financing sources (uses)	<u>(425,018)</u>	<u>(426,170)</u>	<u>(301,383)</u>	<u>124,787</u>
Net change in fund balance	(611,184)	(609,181)	(50,612)	558,569
Fund balance at beginning of year	614,071	614,071	614,071	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 2,887</u>	<u>\$ 4,890</u>	<u>\$ 563,459</u>	<u>\$ 558,569</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 45,548	\$ (29,452)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>45,548</u>	<u>(29,452)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	2,250	254	254	-
Capital outlay	<u>72,750</u>	<u>126,167</u>	<u>126,167</u>	<u>-</u>
Total expenditures	<u>75,000</u>	<u>126,421</u>	<u>126,421</u>	<u>-</u>
Net change in fund balance.	-	(51,421)	(80,873)	(29,452)
Fund balance at beginning of year	80,873	80,873	80,873	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 80,873</u></u>	<u><u>\$ 29,452</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (29,452)</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 420,000	\$ 420,000	\$ 420,000	\$ -
Rental income	132,428	132,428	132,428	-
 Total revenues	 552,428	 552,428	 552,428	 -
Expenditures:				
Debt service				
Principal retirement.	293,000	293,000	293,000	-
Interest and fiscal charges	246,958	246,958	246,958	-
 Total expenditures	 539,958	 539,958	 539,958	 -
 Net change in fund balance.	 12,470	 12,470	 12,470	 -
 Fund balance at beginning of year	 123,440	 123,440	 123,440	 -
Prior year encumbrances appropriated	 -	 -	 -	 -
 Fund balance at end of year	 <u>\$ 135,910</u>	 <u>\$ 135,910</u>	 <u>\$ 135,910</u>	 <u>\$ -</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2006

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 265,400	\$ 54,745	\$ 10,476	\$ 107,916
Sales taxes.	-	6,000	-	-
Accounts	-	-	-	3,300
Accrued interest	-	114	-	141
Total assets	<u>\$ 265,400</u>	<u>\$ 60,859</u>	<u>\$ 10,476</u>	<u>\$ 111,357</u>
Liabilities:				
Accounts payable.	\$ -	\$ 11,503	\$ -	\$ 722
Accrued wages	-	-	-	1,809
Due to other governments	-	-	-	1,211
Total liabilities.	<u>-</u>	<u>11,503</u>	<u>-</u>	<u>3,742</u>
Fund Balances:				
Fund Balance:				
Reserved for encumbrances	-	800	-	904
Unreserved:				
Undesignated, reported in:				
Capital projects funds	<u>265,400</u>	<u>48,556</u>	<u>10,476</u>	<u>106,711</u>
Total fund balances	<u>265,400</u>	<u>49,356</u>	<u>10,476</u>	<u>107,615</u>
Total liabilities and fund balances	<u>\$ 265,400</u>	<u>\$ 60,859</u>	<u>\$ 10,476</u>	<u>\$ 111,357</u>

Recorder's Equipment	Total
\$ 21,989	\$ 460,526
-	6,000
172	3,472
-	255
<u>\$ 22,161</u>	<u>\$ 470,253</u>
\$ 1,794	\$ 14,019
-	1,809
-	1,211
<u>1,794</u>	<u>17,039</u>
206	1,910
<u>20,161</u>	<u>451,304</u>
<u>20,367</u>	<u>453,214</u>
<u>\$ 22,161</u>	<u>\$ 470,253</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Mental Retardation Capital	Capital Improvements	Landfill Capital Projects	Capital Computerization
Revenues:				
Sales taxes	\$ -	\$ 72,000	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	66,051
Investment income	-	1,888	-	1,718
Other	-	19,455	-	9,365
Total revenues	-	93,343	-	77,134
Expenditures:				
Capital outlay	82,855	162,917	-	96,546
Total expenditures	82,855	162,917	-	96,546
Excess (deficiency) of revenues over (under) expenditures.	(82,855)	(69,574)	-	(19,412)
Other financing sources:				
Transfers in.	100,000	10,000	-	-
Total other financing sources.	100,000	10,000	-	-
Net change in fund balances	17,145	(59,574)	-	(19,412)
Fund Balance at beginning of year	248,255	108,930	10,476	127,027
Fund balance at end of year	\$ 265,400	\$ 49,356	\$ 10,476	\$ 107,615

<u>Recorder's Equipment</u>	<u>Total</u>
\$ -	\$ 72,000
26,592	26,592
-	66,051
-	3,606
-	28,820
<u>26,592</u>	<u>197,069</u>
<u>25,543</u>	<u>367,861</u>
<u>25,543</u>	<u>367,861</u>
<u>1,049</u>	<u>(170,792)</u>
<u>-</u>	<u>110,000</u>
<u>-</u>	<u>110,000</u>
1,049	(60,792)
<u>19,318</u>	<u>514,006</u>
<u>\$ 20,367</u>	<u>\$ 453,214</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Capital outlay	\$ 196,000	\$ 312,335	\$ 82,855	\$ 229,480
Total expenditures	<u>196,000</u>	<u>312,335</u>	<u>82,855</u>	<u>229,480</u>
Other financing sources:				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources.	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance.	(96,000)	(212,335)	17,145	229,480
Fund balance at beginning of year	248,255	248,255	248,255	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 152,255</u>	<u>\$ 35,920</u>	<u>\$ 265,400</u>	<u>\$ 229,480</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ -	\$ -	\$ 72,000	\$ 72,000
Investment income	-	-	1,774	1,774
Other	<u>77,000</u>	<u>77,000</u>	<u>19,455</u>	<u>(57,545)</u>
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>93,229</u>	<u>16,229</u>
Expenditures:				
Capital outlay	<u>75,000</u>	<u>157,599</u>	<u>152,214</u>	<u>5,385</u>
Total expenditures	<u>75,000</u>	<u>157,599</u>	<u>152,214</u>	<u>5,385</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,000</u>	<u>(80,599)</u>	<u>(58,985)</u>	<u>21,614</u>
Other financing sources (uses):				
Transfers in	7,000	7,000	10,000	3,000
Transfers out	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>2,500</u>
Total other financing sources (uses)	<u>4,500</u>	<u>4,500</u>	<u>10,000</u>	<u>5,500</u>
Net change in fund balance	6,500	(76,099)	(48,985)	27,114
Fund balance at beginning of year	102,930	102,930	102,930	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 109,430</u>	<u>\$ 26,831</u>	<u>\$ 53,945</u>	<u>\$ 27,114</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LANDFILL CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 49,450	\$ 49,450	\$ 65,820	\$ 16,370
Investment income.	125	125	1,577	1,452
Other.	<u>6</u>	<u>6</u>	<u>9,365</u>	<u>9,359</u>
Total revenues	<u>49,581</u>	<u>49,581</u>	<u>76,762</u>	<u>27,181</u>
Expenditures:				
Capital outlay	<u>138,978</u>	<u>138,978</u>	<u>98,539</u>	<u>40,439</u>
Total expenditures	<u>138,978</u>	<u>138,978</u>	<u>98,539</u>	<u>40,439</u>
Net change in fund balance.	(89,397)	(89,397)	(21,777)	67,620
Fund balance at beginning of year	127,789	127,789	127,789	-
Prior year encumbrances appropriated	<u>278</u>	<u>278</u>	<u>278</u>	<u>-</u>
Fund balance at end of year	<u>\$ 38,670</u>	<u>\$ 38,670</u>	<u>\$ 106,290</u>	<u>\$ 67,620</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 36,000	\$ 36,000	\$ 26,584	\$ (9,416)
Other	10,000	10,000	-	(10,000)
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>26,584</u>	<u>(19,416)</u>
Expenditures:				
Capital outlay	<u>39,600</u>	<u>39,600</u>	<u>27,909</u>	<u>11,691</u>
Total expenditures.	<u>39,600</u>	<u>39,600</u>	<u>27,909</u>	<u>11,691</u>
Net change in fund balance.	6,400	6,400	(1,325)	(7,725)
Fund balance at beginning of year.	18,714	18,714	18,714	-
Prior year encumbrances appropriated	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>	
Fund balance at end of year	<u>\$ 27,714</u>	<u>\$ 27,714</u>	<u>\$ 19,989</u>	<u>\$ (7,725)</u>

HOLMES COUNTY, OHIO

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

ENTERPRISE FUNDS

The enterprise funds are used to account for the financing of costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis that are financed or recovered primarily through user charges. The following is a description of the 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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Operating revenues:				
Charges for services	\$ 618,401	\$ 618,401	\$ 616,713	\$ (1,688)
Other	-	50,000	54,581	4,581
 Total operating revenues	 618,401	 668,401	 671,294	 2,893
Operating expenses:				
Personal services.	200,500	202,171	199,408	2,763
Materials and supplies	15,000	27,839	27,145	694
Contractual services	178,000	235,865	224,652	11,213
Capital outlay	-	266,550	241,440	25,110
Other	1,000	1,494	1,493	1
 Total operating expenses	 394,500	 733,919	 694,138	 39,781
 Operating income (loss).	 223,901	 (65,518)	 (22,844)	 42,674
Nonoperating expense:				
Principal retirement	(195,912)	(244,912)	(226,243)	18,669
 Total nonoperating expense.	 (195,912)	 (244,912)	 (226,243)	 18,669
 Net income (loss)	 27,989	 (310,430)	 (249,087)	 61,343
Fund equity at beginning of year	1,063,172	1,063,172	1,063,172	-
Prior year encumbrances appropriated	-	-	-	-
 Fund equity at end of year	 \$ 1,091,161	 \$ 752,742	 \$ 814,085	 \$ 61,343

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Royalties and fees	\$ 80,000	\$ 80,000	\$ 95,674	\$ 15,674
Total operating revenues	<u>80,000</u>	<u>80,000</u>	<u>95,674</u>	<u>15,674</u>
Operating expenses:				
Personal services.	54,470	61,170	56,247	4,923
Contractual services	33,000	50,200	46,877	3,323
Other.	-	1,611	1,609	2
Total operating expenses	<u>87,470</u>	<u>112,981</u>	<u>104,733</u>	<u>8,248</u>
Net income (loss)	(7,470)	(32,981)	(9,059)	23,922
Fund equity at beginning of year	63,533	63,533	63,533	-
Prior year encumbrances appropriated.	-	-	-	-
Fund equity at end of year	<u>\$ 56,063</u>	<u>\$ 30,552</u>	<u>\$ 54,474</u>	<u>\$ 23,922</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 6,500	\$ 6,500	\$ 5,699	\$ (801)
Other	-	-	750	750
Total operating revenues	<u>6,500</u>	<u>6,500</u>	<u>6,449</u>	<u>(51)</u>
Operating expenses:				
Contractual services	<u>7,660</u>	<u>7,660</u>	<u>6,323</u>	<u>1,337</u>
Total operating expenses	<u>7,660</u>	<u>7,660</u>	<u>6,323</u>	<u>1,337</u>
Net income (loss)	(1,160)	(1,160)	126	1,286
Fund equity at beginning of year	2,737	2,737	2,737	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 1,577</u>	<u>\$ 1,577</u>	<u>\$ 2,863</u>	<u>\$ 1,286</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 funds:

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 DECEMBER 31, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
District Board of Health				
Assets:				
Equity in pooled cash and cash equivalents	\$ 979,787	\$ 4,919,422	\$ 4,722,231	\$ 1,176,978
Accounts receivable.	-	1,670	-	1,670
Total assets.	<u>\$ 979,787</u>	<u>\$ 4,921,092</u>	<u>\$ 4,722,231</u>	<u>\$ 1,178,648</u>
Liabilities:				
Accounts payable.	\$ 50,455	\$ 71,572	\$ 50,455	\$ 71,572
Undistributed assets	929,332	4,849,520	4,671,776	1,107,076
Total liabilities.	<u>\$ 979,787</u>	<u>\$ 4,921,092</u>	<u>\$ 4,722,231</u>	<u>\$ 1,178,648</u>
Soil and Water Conservation				
Assets:				
Equity in pooled cash and cash equivalents	\$ 22,855	\$ 294,384	\$ 258,732	\$ 58,507
Cash and cash equivalents in segregated accounts	339,265	441,024	339,265	441,024
Accounts receivable.	763	13,108	763	13,108
Total assets.	<u>\$ 362,883</u>	<u>\$ 748,516</u>	<u>\$ 598,760</u>	<u>\$ 512,639</u>
Liabilities:				
Accounts payable.	\$ -	\$ 12,609	\$ -	\$ 12,609
Undistributed assets	362,883	735,907	598,760	500,030
Total liabilities.	<u>\$ 362,883</u>	<u>\$ 748,516</u>	<u>\$ 598,760</u>	<u>\$ 512,639</u>
Park District				
Assets:				
Equity in pooled cash and cash equivalents	\$ 90,449	\$ 1,003,650	\$ 601,925	\$ 492,174
Cash in segregated accounts	1,600	97,352	66,540	32,412
Taxes receivable	101,958	103,347	101,958	103,347
Due from other governments	38,013	4,624	38,013	4,624
Accounts receivable.	-	16	-	16
Total assets.	<u>\$ 232,020</u>	<u>\$ 1,208,989</u>	<u>\$ 808,436</u>	<u>\$ 632,573</u>
Liabilities:				
Accounts payable	\$ 1,458	\$ 2,984	\$ 1,458	\$ 2,984
Due to other governments.	4,700	5,565	4,700	5,565
Undistributed assets	225,862	1,200,440	802,278	624,024
Total liabilities.	<u>\$ 232,020</u>	<u>\$ 1,208,989</u>	<u>\$ 808,436</u>	<u>\$ 632,573</u>
Sheriff's Law Enforcement				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,686	\$ 1,945	\$ 3,626	\$ 3,005
Accounts receivable.	66	150	66	150
Total assets.	<u>\$ 4,752</u>	<u>\$ 2,095</u>	<u>\$ 3,692</u>	<u>\$ 3,155</u>
Liabilities:				
Undistributed assets.	\$ 4,752	\$ 2,095	\$ 3,692	\$ 3,155
Total liabilities	<u>\$ 4,752</u>	<u>\$ 2,095</u>	<u>\$ 3,692</u>	<u>\$ 3,155</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
County Public Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,292,876	\$ 1,292,876	\$ -
Due from other governments	99,764	99,765	99,764	99,765
Total assets.	<u>\$ 99,764</u>	<u>\$ 1,392,641</u>	<u>\$ 1,392,640</u>	<u>\$ 99,765</u>
Liabilities:				
Undistributed assets	\$ 99,764	\$ 1,392,641	\$ 1,392,640	\$ 99,765
Total liabilities.	<u>\$ 99,764</u>	<u>\$ 1,392,641</u>	<u>\$ 1,392,640</u>	<u>\$ 99,765</u>
Ohio Election Commission				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 270	\$ 270	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 270</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets	\$ -	\$ 270	\$ 270	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 270</u>	<u>\$ -</u>
Gasoline and License Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 94,099	\$ 1,506,490	\$ 1,535,359	\$ 65,230
Due from other governments	305,113	603,410	305,113	603,410
Total assets.	<u>\$ 399,212</u>	<u>\$ 2,109,900</u>	<u>\$ 1,840,472</u>	<u>\$ 668,640</u>
Liabilities:				
Due to other governments.	\$ 305,113	\$ 502,577	\$ 305,113	\$ 502,577
Undistributed assets	94,099	1,607,323	1,535,359	166,063
Total liabilities.	<u>\$ 399,212</u>	<u>\$ 2,109,900</u>	<u>\$ 1,840,472</u>	<u>\$ 668,640</u>
Undivided Inheritance Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 411,225	\$ 854,837	\$ 859,884	\$ 406,178
Taxes receivable	143,103	-	143,103	-
Total assets.	<u>\$ 554,328</u>	<u>\$ 854,837</u>	<u>\$ 1,002,987</u>	<u>\$ 406,178</u>
Liabilities:				
Due to other governments.	\$ 80,073	\$ 132	\$ 80,073	\$ 132
Undistributed assets	474,255	854,705	922,914	406,046
Total liabilities.	<u>\$ 554,328</u>	<u>\$ 854,837</u>	<u>\$ 1,002,987</u>	<u>\$ 406,178</u>
Undivided Municipal Permissive Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 97,591	\$ 22,795	\$ 32,371	\$ 88,015
Due from other governments	1,761	1,708	1,761	1,708
Total assets.	<u>\$ 99,352</u>	<u>\$ 24,503</u>	<u>\$ 34,132</u>	<u>\$ 89,723</u>
Liabilities:				
Due to other governments.	\$ -	\$ 3,607	\$ -	\$ 3,607
Undistributed assets	99,352	20,896	34,132	86,116
Total liabilities.	<u>\$ 99,352</u>	<u>\$ 24,503</u>	<u>\$ 34,132</u>	<u>\$ 89,723</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Undivided Real and Personal Property Taxes				
Assets:				
Equity in pooled cash and cash equivalents	\$ 570,471	\$ 31,744,903	\$ 31,687,336	\$ 628,038
Taxes receivable	26,546,675	26,102,137	26,546,675	26,102,137
Total assets.	<u>\$ 27,117,146</u>	<u>\$ 57,847,040</u>	<u>\$ 58,234,011</u>	<u>\$ 26,730,175</u>
Liabilities:				
Undistributed assets	\$ 27,117,146	\$ 57,847,040	\$ 58,234,011	\$ 26,730,175
Total liabilities.	<u>\$ 27,117,146</u>	<u>\$ 57,847,040</u>	<u>\$ 58,234,011</u>	<u>\$ 26,730,175</u>
State Housing Trust				
Assets:				
Equity in pooled cash and cash equivalents	\$ 45,894	\$ 166,082	\$ 170,304	\$ 41,672
Due from other governments	1,217	1,142	1,217	1,142
Total assets.	<u>\$ 47,111</u>	<u>\$ 167,224</u>	<u>\$ 171,521</u>	<u>\$ 42,814</u>
Liabilities:				
Undistributed assets	\$ 1,676	\$ 167,224	\$ 126,086	\$ 42,814
Due to other governments	45,435	-	45,435	-
Total liabilities.	<u>\$ 47,111</u>	<u>\$ 167,224</u>	<u>\$ 171,521</u>	<u>\$ 42,814</u>
State Settlements				
Assets:				
Equity in pooled cash and cash equivalents	\$ 151	\$ 167,732	\$ 167,732	\$ 151
Total assets.	<u>\$ 151</u>	<u>\$ 167,732</u>	<u>\$ 167,732</u>	<u>\$ 151</u>
Liabilities:				
Undistributed assets	\$ 151	\$ 167,732	\$ 167,732	\$ 151
Total liabilities.	<u>\$ 151</u>	<u>\$ 167,732</u>	<u>\$ 167,732</u>	<u>\$ 151</u>
Undivided Cigarette Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 124	\$ 1,179	\$ 1,242	\$ 61
Total assets.	<u>\$ 124</u>	<u>\$ 1,179</u>	<u>\$ 1,242</u>	<u>\$ 61</u>
Liabilities:				
Undistributed assets	\$ 124	\$ 1,179	\$ 1,242	\$ 61
Total liabilities.	<u>\$ 124</u>	<u>\$ 1,179</u>	<u>\$ 1,242</u>	<u>\$ 61</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Law Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ 222	\$ 73,220	\$ 73,141	\$ 301
Accounts receivable.	5,471	4,796	5,471	4,796
Total assets.	<u>\$ 5,693</u>	<u>\$ 78,016</u>	<u>\$ 78,612</u>	<u>\$ 5,097</u>
Liabilities:				
Undistributed assets	\$ 5,693	\$ 78,016	\$ 78,612	\$ 5,097
Total liabilities.	<u>\$ 5,693</u>	<u>\$ 78,016</u>	<u>\$ 78,612</u>	<u>\$ 5,097</u>
Undivided Trailer Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 18,453	\$ 226,968	\$ 224,720	\$ 20,701
Total assets.	<u>\$ 18,453</u>	<u>\$ 226,968</u>	<u>\$ 224,720</u>	<u>\$ 20,701</u>
Liabilities:				
Undistributed assets	\$ 18,453	\$ 226,968	\$ 224,720	\$ 20,701
Total liabilities.	<u>\$ 18,453</u>	<u>\$ 226,968</u>	<u>\$ 224,720</u>	<u>\$ 20,701</u>
Undivided Local Government				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 798,960	\$ 798,960	\$ -
Due from other governments	159,691	159,791	159,691	159,791
Total assets.	<u>\$ 159,691</u>	<u>\$ 958,751</u>	<u>\$ 958,651</u>	<u>\$ 159,791</u>
Liabilities:				
Undistributed assets	\$ 159,691	\$ 958,751	\$ 958,651	\$ 159,791
Total liabilities.	<u>\$ 159,691</u>	<u>\$ 958,751</u>	<u>\$ 958,651</u>	<u>\$ 159,791</u>
Undivided Local Government Revenue				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 320,805	\$ 320,805	\$ -
Due from other governments	64,161	64,161	64,161	64,161
Total assets.	<u>\$ 64,161</u>	<u>\$ 384,966</u>	<u>\$ 384,966</u>	<u>\$ 64,161</u>
Liabilities:				
Undistributed assets	\$ 64,161	\$ 384,966	\$ 384,966	\$ 64,161
Total liabilities.	<u>\$ 64,161</u>	<u>\$ 384,966</u>	<u>\$ 384,966</u>	<u>\$ 64,161</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 66,285	\$ 4,478,302	\$ 4,191,673	\$ 352,914
Accounts Receivable	2,028	-	2,028	-
Total assets.	<u>\$ 68,313</u>	<u>\$ 4,478,302</u>	<u>\$ 4,193,701</u>	<u>\$ 352,914</u>
Liabilities:				
Accounts payable	\$ -	\$ 15,138	\$ -	\$ 15,138
Undistributed assets	68,313	4,463,164	4,193,701	337,776
Total liabilities.	<u>\$ 68,313</u>	<u>\$ 4,478,302</u>	<u>\$ 4,193,701</u>	<u>\$ 352,914</u>
Alimony and Child Support				
Assets:				
Accounts receivable.	\$ 107,479	\$ 108,997	\$ 107,479	\$ 108,997
Total assets.	<u>\$ 107,479</u>	<u>\$ 108,997</u>	<u>\$ 107,479</u>	<u>\$ 108,997</u>
Liabilities:				
Undistributed assets	\$ 107,479	\$ 108,997	\$ 107,479	\$ 108,997
Total liabilities.	<u>\$ 107,479</u>	<u>\$ 108,997</u>	<u>\$ 107,479</u>	<u>\$ 108,997</u>
Sheriff's Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 102,609	\$ 10,232	\$ 102,609	\$ 10,232
Total assets.	<u>\$ 102,609</u>	<u>\$ 10,232</u>	<u>\$ 102,609</u>	<u>\$ 10,232</u>
Liabilities:				
Undistributed assets	\$ 102,609	\$ 10,232	\$ 102,609	\$ 10,232
Total liabilities.	<u>\$ 102,609</u>	<u>\$ 10,232</u>	<u>\$ 102,609</u>	<u>\$ 10,232</u>
Court Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 861,612	\$ 164,740	\$ 861,612	\$ 164,740
Total assets.	<u>\$ 861,612</u>	<u>\$ 164,740</u>	<u>\$ 861,612</u>	<u>\$ 164,740</u>
Liabilities:				
Undistributed assets	\$ 861,612	\$ 164,740	\$ 861,612	\$ 164,740
Total liabilities.	<u>\$ 861,612</u>	<u>\$ 164,740</u>	<u>\$ 861,612</u>	<u>\$ 164,740</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, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
County Home Patient				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 990	\$ 1,034	\$ 990	\$ 1,034
Total assets.	<u>\$ 990</u>	<u>\$ 1,034</u>	<u>\$ 990</u>	<u>\$ 1,034</u>
Liabilities:				
Undistributed assets	\$ 990	\$ 1,034	\$ 990	\$ 1,034
Total liabilities.	<u>\$ 990</u>	<u>\$ 1,034</u>	<u>\$ 990</u>	<u>\$ 1,034</u>
Travel and Tourism				
Assets:				
Equity in pooled cash and cash equivalents	\$ 158,061	\$ 578,625	\$ 464,809	\$ 271,877
Taxes receivable	28,914	29,951	28,914	29,951
Total assets	<u>\$ 186,975</u>	<u>\$ 608,576</u>	<u>\$ 493,723</u>	<u>\$ 301,828</u>
Liabilities:				
Undistributed assets.	\$ 186,975	\$ 608,576	\$ 493,723	\$ 301,828
Total liabilities	<u>\$ 186,975</u>	<u>\$ 608,576</u>	<u>\$ 493,723</u>	<u>\$ 301,828</u>
Special Taxing Districts				
Assets:				
Equity in pooled cash and cash equivalents	\$ 694	\$ 25,027,302	\$ 25,027,302	\$ 694
Total assets.	<u>\$ 694</u>	<u>\$ 25,027,302</u>	<u>\$ 25,027,302</u>	<u>\$ 694</u>
Liabilities:				
Undistributed assets.	\$ 694	\$ 25,027,302	\$ 25,027,302	\$ 694
Total liabilities	<u>\$ 694</u>	<u>\$ 25,027,302</u>	<u>\$ 25,027,302</u>	<u>\$ 694</u>
Community Care Pooled				
Assets:				
Equity in pooled cash and cash equivalents	\$ 112,460	\$ 116,663	\$ 135,130	\$ 93,993
Total assets.	<u>\$ 112,460</u>	<u>\$ 116,663</u>	<u>\$ 135,130</u>	<u>\$ 93,993</u>
Liabilities:				
Accounts payable	\$ 36,720	\$ 35,164	\$ 36,720	\$ 35,164
Undistributed assets.	75,740	81,499	98,410	58,829
Total liabilities	<u>\$ 112,460</u>	<u>\$ 116,663</u>	<u>\$ 135,130</u>	<u>\$ 93,993</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, 2006

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Emergency Management Services Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 177,614	\$ 177,614	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 177,614</u>	<u>\$ 177,614</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets	\$ -	\$ 177,614	\$ 177,614	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 177,614</u>	<u>\$ 177,614</u>	<u>\$ -</u>
Family and Children First Council				
Assets:				
Equity in pooled cash and cash equivalents	\$ 134,978	\$ 834,599	\$ 755,712	\$ 213,865
Due from other governments	-	20,570	-	20,570
Total assets.	<u>\$ 134,978</u>	<u>\$ 855,169</u>	<u>\$ 755,712</u>	<u>\$ 234,435</u>
Liabilities:				
Due to other governments.	\$ 134,978	\$ 855,169	\$ 755,712	\$ 234,435
Total liabilities.	<u>\$ 134,978</u>	<u>\$ 855,169</u>	<u>\$ 755,712</u>	<u>\$ 234,435</u>
<i>All Agency Funds</i>				
Assets				
Equity in pooled cash and cash equivalents	\$ 2,808,485	\$ 74,609,623	\$ 73,503,754	\$ 3,914,354
Cash and cash equivalents in segregated accounts	1,306,076	714,382	1,371,016	649,442
Taxes receivable	26,820,650	26,235,435	26,820,650	26,235,435
Accounts receivable.	115,807	128,737	115,807	128,737
Due from other governments	669,720	955,171	669,720	955,171
Total assets.	<u>\$ 31,720,738</u>	<u>\$ 102,643,348</u>	<u>\$ 102,480,947</u>	<u>\$ 31,883,139</u>
Liabilities				
Accounts payable	\$ 88,633	\$ 137,467	\$ 88,633	\$ 137,467
Due to other governments.	570,299	1,367,050	1,191,033	746,316
Undistributed assets	31,061,806	101,138,831	101,201,281	30,999,356
Total liabilities.	<u>\$ 31,720,738</u>	<u>\$ 102,643,348</u>	<u>\$ 102,480,947</u>	<u>\$ 31,883,139</u>

STATISTICAL SECTION

HOLMES COUNTY, OHIO
STATISTICAL SECTION

This part of the Holmes County's (the "County") comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	S 2 - S 9
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax and sales tax.	S 10 - S 17
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	S 18 - S 23
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	S 24 - S 27
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	S 28 - S35

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

HOLMES COUNTY, OHIO

NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 20,903,244	\$ 22,748,246	\$ 19,832,946	\$ 18,521,225
Restricted	10,309,360	10,477,227	10,915,166	10,769,848
Unrestricted	1,934,719	1,800,754	1,897,003	1,766,853
Total governmental activities net assets	<u>\$ 33,147,323</u>	<u>\$ 35,026,227</u>	<u>\$ 32,645,115</u>	<u>\$ 31,057,926</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 12,332,684	\$ 12,350,301	\$ 10,591,883	\$ 10,518,569
Restricted	1,694,355	-	-	-
Unrestricted	9,906,770	9,838,950	10,055,540	9,879,354
Total business-type activities net assets	<u>\$ 23,933,809</u>	<u>\$ 22,189,251</u>	<u>\$ 20,647,423</u>	<u>\$ 20,397,923</u>
Primary government				
Invested in capital assets, net of related debt	\$ 33,235,928	\$ 35,098,547	\$ 30,424,829	\$ 29,039,794
Restricted	12,003,715	10,477,227	10,915,166	10,769,848
Unrestricted	11,841,489	11,639,704	11,952,543	11,646,207
Total primary government net assets	<u>\$ 57,081,132</u>	<u>\$ 57,215,478</u>	<u>\$ 53,292,538</u>	<u>\$ 51,455,849</u>

Note: 2003 was the first year the County implemented GASB Statement No. 34, comparative information before that date is not available.

HOLMES COUNTY, OHIO

CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Governmental activities:				
General government				
Legislative and executive	\$ 4,835,372	\$ 4,307,187	\$ 4,182,615	\$ 4,046,800
Judicial	1,635,998	1,982,537	1,850,754	1,604,791
Public safety	3,615,617	4,883,558	4,386,860	4,116,338
Public works	5,440,623	5,510,580	4,647,634	4,129,490
Health	185,419	220,165	199,602	172,457
Human services	12,375,027	12,144,961	10,732,872	10,816,474
Conservation and recreation	320,920	377,696	1,160,668	419,284
Intergovernmental	227,200	227,200	221,255	220,981
Other	-	17,833	59,724	880
Interest and fiscal charges	245,809	279,275	285,079	326,124
Total governmental activities expenses	<u>28,881,985</u>	<u>29,950,992</u>	<u>27,727,063</u>	<u>25,853,619</u>
Business-type activities:				
Sewer District	897,629	695,417	729,803	732,630
County Disposal	566,513	714,376	491,614	433,900
Joel Pomerene Hospital	30,651,830	25,396,163	24,798,716	22,107,075
East Holmes Water	5,273	7,290	9,616	8,773
Total business-type activities expenses	<u>32,121,245</u>	<u>26,813,246</u>	<u>26,029,749</u>	<u>23,282,378</u>
Total primary government expenses	<u>\$ 61,003,230</u>	<u>\$ 56,764,238</u>	<u>\$ 53,756,812</u>	<u>\$ 49,135,997</u>

- (continued)

HOLMES COUNTY, OHIO

CHANGES IN NET ASSETS (CONTINUED)
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government				
Legislative and executive	\$ 2,445,474	\$ 2,135,184	\$ 2,360,126	\$ 1,998,224
Judicial	389,993	284,192	323,382	250,219
Public safety	74,675	184,344	68,231	152,442
Public works	1,339,576	993,060	689,790	513,811
Health	141,080	143,942	125,269	108,761
Human services	1,027,538	766,465	777,995	1,401,057
Conservation and recreation	-	-	1,887	15,461
Operating grants and contributions				
General government				
Legislative and executive	175,428	763,379	212,300	631,568
Judicial	-	88,178	69,090	100,321
Public safety	312,200	423,731	786,474	358,121
Public works	4,456,707	4,522,635	3,942,759	3,389,414
Health	-	-	-	-
Human services	5,903,908	5,989,982	5,492,869	6,038,712
Conservation and recreation	9,000	36,000	46,497	48,990
Capital grants and contributions				
Public works	-	594,026	-	114,773
Conservation and recreation	-	1,707,637	1,902,565	177,248
Total governmental program revenues	<u>16,275,579</u>	<u>18,632,755</u>	<u>16,799,234</u>	<u>15,299,122</u>
Business-type activities:				
Charges for services:				
Sewer District	705,785	723,251	694,613	902,225
County Disposal	86,564	128,386	86,002	48,474
Joel Pomerene Hospital	29,772,976	25,690,208	25,428,600	24,029,814
East Holmes Water	5,443	5,809	5,843	3,418
Operating grants and contributions				
Sewer District	-	272,746	-	-
Joel Pomerene Hospital	-	738,119	-	-
Total business-type activities program revenues	<u>30,570,768</u>	<u>27,558,519</u>	<u>26,215,058</u>	<u>24,983,931</u>
Total primary government program revenue	<u>\$ 46,846,347</u>	<u>\$ 46,191,274</u>	<u>\$ 43,014,292</u>	<u>\$ 40,283,053</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (12,606,406)</u>	<u>\$ (11,318,237)</u>	<u>\$ (10,927,829)</u>	<u>\$ (10,554,497)</u>
Business-type activities	<u>(1,550,477)</u>	<u>745,273</u>	<u>185,309</u>	<u>1,701,553</u>
Total primary government net expense	<u>\$ (14,156,883)</u>	<u>\$ (10,572,964)</u>	<u>\$ (10,742,520)</u>	<u>\$ (8,852,944)</u>

- (continued)

HOLMES COUNTY, OHIO

CHANGES IN NET ASSETS (CONTINUED)
 LAST FOUR FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 6,240,765	\$ 6,385,560	\$ 5,805,122	\$ 5,514,831
Sales taxes	4,271,824	4,442,924	4,269,613	4,494,544
Unrestricted grants and contributions	1,034,329	953,881	1,094,021	1,060,162
Investment earnings	609,078	397,310	269,905	312,680
Miscellaneous	1,631,750	2,237,498	1,076,357	627,380
Special items, net	(2,800,830)			
Total governmental activities	<u>10,986,916</u>	<u>14,417,173</u>	<u>12,515,018</u>	<u>12,009,597</u>
Business-type activities:				
Investment earnings	353,162	25,709	46,129	16,352
Employee lease revenue	1,358,879	-	-	-
Miscellaneous	104,995	53,022	18,062	36,989
Total business-type activities	<u>1,817,036</u>	<u>78,731</u>	<u>64,191</u>	<u>53,341</u>
Total primary government	<u>\$ 12,803,952</u>	<u>\$ 14,495,904</u>	<u>\$ 12,579,209</u>	<u>\$ 12,062,938</u>
Change in Net Assets				
Governmental activities	<u>\$ (1,619,490)</u>	<u>\$ 3,098,936</u>	<u>\$ 1,587,189</u>	<u>\$ 1,455,100</u>
Business-type activities	<u>266,559</u>	<u>824,004</u>	<u>249,500</u>	<u>1,754,894</u>
Total primary government	<u>\$ (1,352,931)</u>	<u>\$ 3,922,940</u>	<u>\$ 1,836,689</u>	<u>\$ 3,209,994</u>

Note: 2003 was the first year the County implemented GASB Statement No. 34, comparative information before that date is not available.

HOLMES COUNTY, OHIO

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund				
Reserved	\$ 157,714	\$ 191,887	\$ 154,528	\$ 202,671
Unreserved	<u>1,568,665</u>	<u>1,431,655</u>	<u>1,357,931</u>	<u>1,211,023</u>
Total general fund	<u>1,726,379</u>	<u>1,623,542</u>	<u>1,512,459</u>	<u>1,413,694</u>
All Other Governmental Funds				
Reserved	640,514	656,073	794,230	762,436
Unreserved, reported in:				
Designated	250,000	250,000	256,434	362,149
Special revenue funds	7,919,265	7,728,254	8,169,733	8,000,600
Capital projects funds	451,304	514,888	462,839	499,850
Debt service funds	<u>170,910</u>	<u>158,440</u>	<u>147,122</u>	<u>133,282</u>
Total all other governmental funds	<u>9,431,993</u>	<u>9,307,655</u>	<u>9,830,358</u>	<u>9,758,317</u>
Total governmental funds	<u>\$ 11,158,372</u>	<u>\$ 10,931,197</u>	<u>\$ 11,342,817</u>	<u>\$ 11,172,011</u>

2002	2001	2000	1999	1998	1997
\$ 118,608	\$ 237,501	\$ 132,602	\$ 118,714	\$ 160,847	\$ 93,372
1,590,314	1,080,375	1,175,765	1,258,107	1,298,554	989,431
1,708,922	1,317,876	1,308,367	1,376,821	1,459,401	1,082,803
224,966	652,915	730,219	422,080	453,935	346,723
240,000	250,000	250,000	104,991	32,000	-
7,807,827	7,522,885	8,067,624	7,399,454	6,282,868	5,326,217
423,380	544,528	618,927	1,372,545	1,627,496	1,182,210
103,492	170,582	142,934	97,600	83,150	53,252
8,799,665	9,140,910	9,809,704	9,396,670	8,479,449	6,908,402
<u>\$ 10,508,587</u>	<u>\$ 10,458,786</u>	<u>\$ 11,118,071</u>	<u>\$ 10,773,491</u>	<u>\$ 9,938,850</u>	<u>\$ 7,991,205</u>

HOLMES COUNTY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues				
Property taxes	\$ 6,217,513	\$ 6,077,299	\$ 5,792,917	\$ 5,523,704
Sales taxes	4,373,863	4,389,719	4,300,065	4,135,689
Charges for services	4,542,303	4,026,374	3,421,075	3,383,268
Licenses and permits	427,708	428,563	430,575	349,805
Fines and forfeitures	296,582	230,515	269,063	206,069
Intergovernmental	12,231,469	14,853,915	13,418,966	11,659,357
Investment income	609,040	397,336	269,879	312,680
Rental income	185,127	184,732	189,369	227,070
Contributions and donations	-	105,424	23,307	41,148
Other	1,606,630	2,237,498	1,021,733	889,009
Total revenues	<u>30,490,235</u>	<u>32,931,375</u>	<u>29,136,949</u>	<u>26,727,799</u>
Expenditures				
Current:				
General government:				
Legislative and executive	4,715,180	4,098,361	3,735,726	3,626,437
Judicial	1,579,585	1,936,747	1,810,633	1,597,405
Public safety	3,906,278	4,783,569	4,292,574	4,155,483
Public works	6,361,169	5,487,018	4,601,017	4,354,476
Health	200,318	197,542	177,483	153,368
Human services	12,190,408	12,444,764	10,860,868	10,811,320
Conservation and recreation	328,967	282,807	340,463	416,699
Intergovernmental	227,200	227,200	221,255	220,981
Other	-	17,833	59,724	880
Capital outlay	376,082	2,816,753	2,253,388	457,006
Debt service:				
Principal retirement	293,000	319,112	488,348	283,000
Interest and fiscal charges	246,958	280,719	286,360	327,215
Total expenditures	<u>30,425,145</u>	<u>32,892,425</u>	<u>29,127,839</u>	<u>26,404,270</u>
Excess of revenues over (under) expenditures	65,090	38,950	9,110	323,529
Other Financing Sources (Uses):				
Notes issued	-	-	161,696	-
Bonds issued	-	-	-	-
Transfers in	1,690,440	963,270	1,005,135	1,043,469
Transfers out	(1,690,440)	(963,270)	(1,005,135)	(1,043,469)
Total other financing sources	<u>-</u>	<u>-</u>	<u>161,696</u>	<u>-</u>
Special Items:				
Sale of property of Park District	407,399	-	-	-
Donation to Park District	(377,399)	-	-	-
Net change in fund balances	<u>\$ 95,090</u>	<u>\$ 38,950</u>	<u>\$ 170,806</u>	<u>\$ 323,529</u>

Debt service as a percentage of noncapital expenditures	1.80%	1.99%	2.88%	2.35%
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	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$	5,441,429	\$ 4,647,880	\$ 4,260,051	\$ 4,269,435	\$ 3,862,886	\$ 3,654,080
	3,894,274	3,564,555	3,572,375	3,351,642	3,309,449	3,687,630
	2,769,018	3,015,869	3,412,975	3,288,293	2,957,982	2,735,017
	181,563	176,104	229,542	103,414	80,879	96,695
	365,747	337,478	226,374	285,717	285,153	253,483
	9,692,574	10,924,701	11,611,980	10,535,452	9,251,639	8,472,586
	443,219	727,365	881,579	668,665	601,051	532,341
	54,437	55,429	192,455	175,633	46,228	78,023
	188,286	49,931	44,098	149,035	304,103	-
	982,964	2,473,606	808,910	817,155	950,122	641,632
	<u>24,013,511</u>	<u>25,972,918</u>	<u>25,240,339</u>	<u>23,644,441</u>	<u>21,649,492</u>	<u>20,151,487</u>
	3,774,518	4,875,440	3,717,996	3,953,343	3,258,315	3,347,647
	1,249,785	1,038,722	1,319,260	1,337,266	1,257,178	1,117,124
	2,993,221	2,484,096	2,823,469	2,491,039	2,547,591	2,253,933
	3,484,923	3,920,469	3,162,113	2,983,628	2,844,067	2,681,447
	142,226	141,375	126,965	118,637	119,974	119,241
	10,017,667	11,175,724	10,427,129	8,942,845	8,451,089	7,368,522
	383,566	356,461	352,149	383,325	252,591	198,849
	820,433	1,313,245	1,996,047	1,481,756	212,702	135,285
	-	-	-	-	-	-
	221,316	399,602	217,344	199,637	651,773	2,339,437
	271,000	263,000	424,606	233,000	1,932,484	115,480
	383,089	327,646	333,441	349,868	365,774	244,615
	<u>23,741,744</u>	<u>26,295,780</u>	<u>24,900,519</u>	<u>22,474,344</u>	<u>21,893,538</u>	<u>19,921,580</u>
	271,767	(322,862)	339,820	1,170,097	(244,046)	229,907
	-	-	179,586	-	-	1,700,000
	-	-	-	-	2,400,250	-
	1,003,638	857,763	1,600,278	1,579,527	1,589,789	1,511,283
	<u>(1,225,604)</u>	<u>(990,998)</u>	<u>(1,773,678)</u>	<u>(1,874,672)</u>	<u>(1,923,158)</u>	<u>(1,781,347)</u>
	<u>(221,966)</u>	<u>(133,235)</u>	<u>6,186</u>	<u>(295,145)</u>	<u>2,066,881</u>	<u>1,429,936</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>49,801</u>	<u>\$ (456,097)</u>	<u>\$ 346,006</u>	<u>\$ 874,952</u>	<u>\$ 1,822,835</u>	<u>\$ 1,659,843</u>

2.78%

2.28%

3.07%

2.62%

10.82%

2.05%

HOLMES COUNTY, OHIO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Collection Year	Real Property		Personal Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2006	\$ 636,510,240	\$ 1,818,600,686	\$ 74,108,630	\$ 296,434,520
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

Source: Holmes County Auditor

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

Public Utility Property		Total		Ratio of Assessed to Actual Value
Assessed Value	Actual Value	Assessed Value	Estimated Actual Value	
\$ 27,150,990	\$ 30,853,398	\$ 737,769,860	\$ 2,145,888,604	34.38%
27,239,330	30,953,784	743,410,660	2,192,208,635	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%

HOLMES COUNTY, OHIO

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

	<u>2006</u>	<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>
County Units:										
General Fund	\$3.25	\$3.25	\$3.25	\$3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
County Home	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Training Center	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Total	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>
School Districts within the County:										
East Holmes LSD	25.95	26.25	26.30	26.65	26.85	26.40	26.40	26.40	26.70	27.45
West Holmes LSD	32.90	33.00	33.10	33.80	34.10	36.10	36.10	36.10	36.30	37.60
Overlapping School Districts:										
Danville LSD	43.76	44.00	44.60	44.60	44.60	41.00	41.00	41.00	41.00	41.00
Garaway LSD	52.25	52.10	52.65	44.60	44.60	44.80	44.80	44.80	44.80	45.20
Loudonville-Perrysville EVSD	40.54	40.90	41.50	35.00	35.60	35.70	35.70	35.70	36.40	36.80
Southeast LSD	44.50	44.90	44.90	46.15	46.15	47.05	47.05	47.05	48.30	48.30
Triway LSD	49.90	49.90	44.20	44.20	45.20	42.20	42.20	42.20	42.20	42.20
Overlapping Joint Vocational Schools:										
Wayne County	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Buckeye	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Knox County	6.40	6.40	6.40	6.40	4.10	4.10	4.10	4.10	4.10	6.40
Ashland West Holmes	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Villages:										
Glenmont	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Wayne	n/a	n/a	n/a	n/a	11.80	11.90	11.90	11.20	11.20	11.20
York	n/a	n/a	n/a	n/a	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	3.50	1.50
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
Overlapping Villages:										
Loudonville	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80
Baltic	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20

HOLMES COUNTY, OHIO

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

	<u>2006</u>	<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>
Townships:										
Berlin	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Clark	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	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	6.65
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	6.10	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Paint	9.60	7.10	7.10	7.10	7.10	6.60	6.60	6.60	6.60	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	7.10	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Ripley	4.60	4.60	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	5.60	4.60
Walnut Creek	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Washington	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Special Districts:										
Fire District #1	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Park District	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Western Holmes Fire District	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Knox County Library	0.41	0.54	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Clark Twp. Fire Department	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	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	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Holmes County Auditor

HOLMES COUNTY, OHIO
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
CURRENT YEAR AND NINE YEARS AGO

2006			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Wayne Door Corp.	Manufacturer	\$ 5,397,790	0.85%
Walnut Hills Nursing Home	Business	4,188,810	0.66%
Merillat Corporation	Business	2,234,070	0.35%
Wal-Mart Real Estate	Business	2,061,240	0.32%
The Dutch Corporation	Business	1,986,020	0.31%
BE 4 KL	Business	1,842,720	0.29%
Sunset View	Business	1,809,300	0.28%
Wayne Dalton	Business	1,614,550	0.25%
CSB Bancorp	Business	1,448,870	0.23%
CBSA LTP	Business	1,343,750	0.21%
Total		\$ 23,927,120	3.75%
Total County Assessed Valuation		\$ 636,510,240	

1997			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Wayne Door Corp.	Manufacturer	\$ 4,941,900	1.43%
Merillat Corporation	Business	3,808,090	1.10%
Walnut Hills Nursing Home	Business	2,026,810	0.59%
Richard C. Brunn	Business	1,891,970	0.55%
Sunset View	Business	1,635,330	0.47%
Wayne Dalton	Business	1,456,850	0.42%
Dutch Corp.	Business	1,451,770	0.42%
Inn at Honey Run	Business	1,042,870	0.30%
Owens-Illinois	Business	980,280	0.28%
Poultry Processing	Business	942,230	0.27%
Total		\$ 20,178,100	5.83%
Total County Assessed Valuation		\$ 346,194,070	

Source: Holmes County Auditor

HOLMES COUNTY, OHIO
PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
CURRENT YEAR AND EIGHT YEARS AGO

2006

<u>Taxpayer</u>	<u>Type</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Wayne Dalton Corp.	Manufacturer	\$ 5,244,080	7.08%
Owens Illinois, Inc	Manufacturer	3,868,230	5.22%
Keim Lumber Company	Business	3,322,280	4.48%
Gemi Holdings, Inc.	Business	2,904,980	3.92%
Alpine Cheese Co. Inc.	Business	2,462,950	3.32%
Yoder Lumber Co, Inc.	Manufacturer	2,223,260	3.00%
Weaver Leather Goods, Inc.	Business	2,096,530	2.83%
Mansfield Plumbing Products, LLC	Manufacturer	1,424,350	1.92%
Holmes Cheese Company	Business	1,798,910	2.43%
Guggisberg Cheese, Inc.	Business	1,563,010	2.11%
Total		<u>\$ 26,908,580</u>	<u>36.31%</u>
Total County Assessed Valuation		<u>\$ 74,108,630</u>	

1998

<u>Taxpayer</u>	<u>Type</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Wayne Dalton Corp.	Manufacturer	\$ 6,293,030	7.81%
Merillat Corporation	Manufacturer	5,041,180	6.25%
Owens Illinois, Inc	Manufacturer	3,022,130	3.75%
Keim Lumber Company	Manufacturer	2,640,410	3.28%
Robin Industries, Inc.	Business	1,958,560	2.43%
Holmes Limestone Co.	Manufacturer	1,514,690	1.88%
Akro Corporation	Business	1,495,620	1.86%
Galion Holding Company	Business	1,424,550	1.77%
Holmes Cheese Company	Business	1,206,860	1.50%
Louisiana Pacific Corporation	Manufacturer	1,201,160	1.49%
Total		<u>\$ 25,798,190</u>	<u>32.02%</u>
Total County Assessed Valuation		<u>\$ 80,618,640</u>	

Source: Holmes County Auditor

HOLMES COUNTY, OHIO
PRINCIPAL TAXPAYERS
PUBLIC UTILITY TANGIBLE PERSONAL PROPERTY TAX
CURRENT YEAR AND NINE YEARS AGO

2006			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Columbia Gas Transmission	Public Utility	\$ 7,969,740	29.35%
Ohio Power Company	Public Utility	6,485,510	23.89%
Holmes Wayne Electric	Public Utility	5,454,460	20.09%
United Telephone Company	Public Utility	2,382,170	8.77%
Verizon North	Business	928,750	3.42%
Columbia Gas of Ohio	Public Utility	812,490	2.99%
Northfolk Southern	Public Utility	619,700	2.28%
New Par	Business	382,200	1.41%
Northeast Ohio Natural Gas	Public Utility	319,220	1.18%
East Ohio Gas	Public Utility	252,800	0.93%
Total		\$ 25,607,040	94.31%
Total County Assessed Valuation		\$ 27,150,990	

1997			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Columbia Gas Transmission	Public Utility	\$ 8,269,840	22.77%
Ohio Power Company	Public Utility	6,261,630	17.24%
United Telephone Company	Public Utility	5,117,410	14.09%
Holmes Wayne Electric	Public Utility	2,978,940	8.20%
Columbia Gas of Ohio	Public Utility	2,545,780	7.01%
GTE North	Public Utility	2,368,560	6.52%
Northeast Ohio Natural Gas	Public Utility	805,450	2.22%
East Ohio Gas	Public Utility	754,790	2.08%
Ohio Edison	Public Utility	240,290	0.66%
Sprint Communications	Business	139,540	0.38%
Total		\$ 29,482,230	81.17%
Total County Assessed Valuation		\$ 36,314,909	

Source: Holmes County Auditor

HOLMES COUNTY, OHIO
SALES TAX REVENUE BY INDUSTRY
CURRENT YEAR

2006

<u>Industry</u>	<u>Tax Liability</u>	<u>Percentage of Total</u>
Retail trade	\$ 3,367,412	78.09%
Service	520,228	12.06%
Information	225,918	5.24%
Wholesale trade	60,456	1.40%
Manufacturing	51,023	1.18%
Transportation and utilities	40,640	0.94%
Finance, insurance and real estate	37,927	0.88%
Agricultural	6,135	0.14%
Construction	3,084	0.07%
Total	\$ 4,312,823	100.00%

Source: State Department of Taxation

HOLMES COUNTY, OHIO

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

Collection Year	Total Tax Levy (1)	Current Taxes Collected	Percent of Current Taxes Collected	Delinquent Taxes Collected	Total Tax Collections	Percent of Total Tax Collections to Current Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
2006	\$ 5,801,255	\$ 5,157,007	88.89%	\$ 150,115	\$ 5,307,122	91.48%	\$ 45,719	0.79%
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%

(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

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	Governmental Activities		Business - Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Facility Note	Sewer Bonds	Hospital Bonds	OPWC Loans	Capital Leases			
2006	\$ 4,422,000	\$ -	\$ 2,531,500	\$ -	\$ 127,276	\$ 310,600	\$ 7,391,376	0.86%	\$ 22,087.00
2005	4,715,000	-	2,568,500	-	106,551	224,515	7,614,566	0.92%	21,345.00
2004	5,025,000	-	2,602,500	906,835	113,363	313,089	8,960,787	1.17%	19,714.00
2003	5,322,000	-	2,809,000	960,835	120,175	397,840	9,609,850	1.30%	18,937.00
2002	5,605,000	-	2,841,000	1,311,085	126,987	110,245	9,994,317	1.34%	19,110.00
2001	5,876,000	-	2,871,000	1,827,000	76,068	244,358	10,894,426	1.55%	18,093.00
2000	6,139,000	-	2,899,000	1,875,000	78,000	289,949	11,280,949	1.69%	17,139.00
1999	6,379,000	-	2,926,000	1,920,000	-	403,738	11,628,738	1.82%	16,726.00
1998	6,612,000	-	2,952,000	1,963,000	-	520,886	12,047,886	2.01%	15,831.00
1997	4,432,000	1,700,000	2,977,000	2,003,000	12,484	97,119	11,221,603	1.94%	15,495.00

Source: Holmes County Auditor

(1) Information obtained from Holmes County Regional Planning Commission

HOLMES COUNTY, OHIO

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

Year	Estimated Population	Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Debt Payable from Enterprise Revenues	Net General Bonded Debt	Ratio of Debt to Assessed Value	Net General Bonded Debt Per Capita
2006	38,943	\$ 737,769,860	\$ 6,953,500	\$ 170,910	\$ 2,531,500	\$ 4,251,090	0.58%	\$ 109.16
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

Source: Holmes County Auditor

(1) Information obtained from Holmes County Regional Planning Commission

HOLMES COUNTY, OHIO

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

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Governmental Fund Expenditures	Ratio of Debt Service to Total General Fund Expenditures
2006	\$ 293,000	\$ 246,958	\$ 539,958	\$ 30,425,145	1.77%
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%

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2006

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County (1)</u>	<u>Amount Applicable to County</u>
Direct:			
Holmes County	\$ 4,422,000	100.00%	\$ 4,422,000
Village of Killbuck	29,300	100.00%	29,300
Hardy Township	12,760	100.00%	12,760
Total Direct	<u>4,464,060</u>		<u>4,464,060</u>
Overlapping:			
Village of Baltic	170,803	41.47%	70,834
Danville School District	1,436,000	4.56%	65,482
East Holmes School District	2,650,000	99.70%	2,642,050
Garaway School District	1,145,000	1.97%	22,557
West Holmes School District	12,689,987	95.14%	12,073,254
Knox County Career Center JVSD	196,360	0.19%	373
Knox County Library District	740,000	0.24%	1,776
Total Overlapping	<u>19,028,150</u>		<u>14,876,326</u>
Total	<u><u>23,492,210</u></u>		<u><u>19,340,386</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

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2006

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation of the County Collection Year 2006 (3)	\$ 737,769,860	\$ 737,769,860
Debt Limitation	16,944,247	7,377,699
Total Outstanding Debt:		
General Obligation Bonds	4,422,000	4,422,000
Revenue Bonds	2,531,500	2,531,500
Total	6,953,500	6,953,500
Exemptions:		
General Obligations Bonds Paid from Rentals	1,200,000	1,200,000
General Obligations Bonds for Jail Construction	2,072,000	2,072,000
Enterprise Bonds	2,531,500	2,531,500
Amount Available in Debt Service Fund	170,910	170,910
Total Exemptions	5,974,410	5,974,410
Net Debt	979,090	979,090
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$ 15,965,157	\$ 6,398,609

- (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

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate</u>
2006	38,943	\$ 860,134,041	\$ 22,087	4,712	3.8%
2005	38,943	831,238,335	21,345	4,647	3.8%
2004	38,943	767,722,302	19,714	4,662	4.2%
2003	38,943	737,463,591	18,937	4,661	2.8%
2002	38,943	744,200,730	19,110	4,635	3.6%
2001	38,943	704,595,699	18,093	4,580	2.4%
2000	38,943	667,444,077	17,139	4,616	2.4%
1999	38,295	640,522,170	16,726	4,606	2.4%
1998	37,841	599,060,871	15,831	4,640	3.4%
1997	37,373	579,094,635	15,495	4,745	3.3%

(1) Mid-Ohio Regional Planning Commission

(2) Bureau of Economic Analysis, U.S. Department of Commerce

(3) Local School Treasurer

HOLMES COUNTY, OHIO

CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES
LAST TEN YEARS

Year	New Construction			Real Property Value (1)			Bank Deposits (2)
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt	
2006	\$ 14,108,040	\$ 4,895,570	\$ 19,003,610	\$ 515,033,220	\$ 118,009,840	\$ 40,528,740	\$ 549,617
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

Sources Holmes County Auditor
Federal Reserve Bank - Cleveland, Ohio

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

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HOLMES COUNTY ,OHIO

FULL TIME EQUIVALENT COUNTY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	2006	2005	2004	2003	2002	2001	2000
General government:							
<i>Legislative and executive</i>							
Auditor	11.75	11.75	13.50	15.50	10.50	14.50	10.50
Commissioners	6.00	6.00	5.00	5.00	6.00	5.00	7.00
License Bureau	4.50	4.00	4.00	4.00	4.00	4.00	4.00
Recorder	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Treasurer	3.00	3.00	4.00	5.00	4.00	4.00	3.00
Board of Elections	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Prosecutor	4.50	6.00	4.00	4.00	5.00	6.00	6.00
Tax Map	3.00	3.00	3.00	3.00	3.00	3.00	3.00
GIS	1.00	1.00	1.00	-	-	-	-
Maintenance and Operations	5.00	5.00	5.00	5.00	6.00	6.00	7.00
Planning Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<i>Judicial</i>							
Clerk of Courts	6.00	6.00	7.00	6.00	6.00	6.00	6.00
Common Pleas Court	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Probate Court	3.50	3.50	4.50	3.50	3.50	3.50	3.50
Juvenile Court	7.50	8.50	11.50	11.50	10.50	10.50	10.50
Adult Probation	4.00	4.00	4.00	4.00	4.00	3.00	4.00
County Court	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Law Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Intensive Supervision	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Safety:							
Sheriff	53.50	52.50	51.50	49.00	51.00	48.00	44.50
Coroner	1.50	1.50	1.50	1.50	1.50	2.00	2.00
Human Service:							
MR/DD	97.50	96.25	95.75	94.25	92.00	94.25	92.25
Veteran's Services	6.50	6.50	6.50	5.50	5.50	5.00	5.50
County Home	35.50	33.50	35.00	37.00	33.50	32.50	31.50
Job and Family Services	37.00	33.00	31.00	31.00	30.00	30.50	32.50
Child Support Enforcement	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Victims Assistance	3.00	3.00	1.50	2.00	2.00	2.00	1.50
Jail Food Services	5.50	6.00	4.50	4.50	4.50	4.50	4.50
Health:							
Dog and Kennel	3.50	3.50	3.50	3.00	3.00	3.00	3.00
Public Works:							
Engineer	38.25	38.25	37.00	38.00	36.50	35.50	34.50
Transportation	35.50	27.00	18.00	19.00	9.50	6.50	3.50
Landfill and Sewer Operations:							
Landfill	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sewer	11.00	11.00	11.00	9.50	8.00	10.00	9.00
Agency:							
Park District	2.00	1.00	1.00	1.00	1.00	1.00	1.50
Soil and Water	5.50	4.50	4.00	4.00	4.50	4.00	3.00
Total	<u>426.50</u>	<u>409.25</u>	<u>398.25</u>	<u>394.75</u>	<u>373.50</u>	<u>372.75</u>	<u>362.75</u>

1.00 for each full-time, 0.50 for each part-time, and 0.25 for each seasonal employee.

Source: Holmes County Auditor

Note: Information prior to 2000 was unavailable.

HOLMES COUNTY, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2006	2005	2004	2003	2002
General Government - Legislative and Executive					
Auditor:					
Number of parcels on file	29,324	28,455	28,070	29,488	29,078
Commissioners:					
Number of resolutions presented	197	205	233	198	n/a
Number of proclamations presented	35	32	42	34	n/a
Number of public notices presented	41	46	44	49	n/a
Number of road dedications	2	3	1	1	n/a
Number of road closings	n/a	n/a	n/a	3	n/a
Number of brine permits	8	9	6	7	n/a
Data Processing:					
Number of accounts payable warrants	14,659	15,672	14,504	n/a	n/a
Number of payroll warrants	5,105	5,206	5,975	8,582	11,511
Sealer of Weights and Measures:					
Number of establishments services	102	101	103	98	98
License Bureau:					
Number of licenses/state IDs issued	8,130	7,746	6,963	7,482	7,408
Number of vehicles registered	34,159	33,919	34,279	32,550	31,087
Number of watercrafts registered	343	387	n/a	n/a	n/a
Recorder:					
Number of documents recorded	7,221	7,500	7,435	8,971	8,867
Number of financing documents (UCC) on real estate	n/a	12	39	109	216
Treasurer:					
Annual investment income (in dollars)	519,045	322,128	242,043	263,296	379,605
Number of tax bills mailed - real estate	26,804	48,462	49,053	48,504	47,379
Number of tax bills mailed - mobile home	21,532	2,562	2,669	2,735	2,765
Number of tax bills mailed - personal property	1,162	1,240	n/a	n/a	n/a
Board of Elections:					
Number of registered voters	18,206	17,845	17,870	16,509	16,633
Number of voters last general election	8,639	7,346	11,788	4,944	6,597
Percentage of registered voters that voted	47.45	41.17	65.97	29.95	39.66
Auto Title:					
Number of certificates of title issued	12,106	12,523	12,220	12,500	12,778
Number of licenses issued	2,574	2,524	2,623	2,852	3,039
Number of memos issued	1,583	1,648	1,727	1,828	1,992
Number of duplicate certificates of title issued	612	686	554	571	486
Number of salvage certificates issued	166	180	171	158	174
Number of inspections performed	775	778	681	652	717
Number of watercraft certificates of title issued	355	348	309	267	281
Prosecutor:					
Number of felony criminal cases filed	104	92	124	90	56
Number of misdemeanor criminal cases filed	507	545	543	474	466
Number of tax foreclosure cases filed	11	26	62	23	13
General Government - Judicial					
Clerk of Courts:					
Number of certificates of judgments issued	141	158	268	263	101
Number of passport applications filed	353	299	251	215	279
Number of cases filed	412	388	398	375	398
Number of appeals filed	17	11	16	7	16
Number of real estate tax foreclosures	11	26	62	23	13
Number of tax liens executed	5	6	1	n/a	1
Number of state tax liens	133	152	56	91	87
Number of tax lien garnishments	1	10	2	3	3

Source: Individual County departments

n/a - not available

2001	2000	1999	1998	1997
28,790	28,285	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
11,304	11,571	n/a	n/a	n/a
98	95	91	99	n/a
6,705	5,980	5,549	6,213	5,746
31,425	31,516	30,917	30,000	29,927
n/a	n/a	n/a	n/a	n/a
8,183	6,878	7,234	7,311	6,510
549	766	785	712	733
733,594	699,081	537,203	494,177	n/a
46,981	46,707	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
16,607	16,766	15,759	15,987	14,953
6,141	9,937	8,137	4,665	7,395
36.98	59.27	51.63	29.18	49.45
13,258	13,679	8,179	5,754	n/a
3,684	3,853	3,602	2,989	n/a
2,427	2,278	1,997	1,637	n/a
531	542	258	167	n/a
284	127	118	66	n/a
635	613	461	230	n/a
285	352	252	208	n/a
72	51	65	75	57
457	426	435	550	529
n/a	7	11	5	1
110	111	110	96	100
n/a	n/a	n/a	n/a	n/a
403	367	377	349	332
29	23	16	19	23
n/a	7	11	5	1
n/a	n/a	1	4	1
59	101	41	94	120
2	4	2	7	3

HOLMES COUNTY, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2006	2005	2004	2003	2002
Common Pleas Court:					
Number of criminal cases filed	250	n/a	n/a	n/a	n/a
Number of civil cases filed	629	n/a	n/a	n/a	n/a
Number of domestic cases filed	516	n/a	n/a	n/a	n/a
Number of court rooms	2	2	2	1	1
Number of traffic cases filed	2,627	2,485	2,848	2,468	2,717
Number of criminal cases filed	507	545	543	474	466
Number of civil cases filed	342	297	271	274	264
Number of small claims cases filed	642	496	541	488	598
Number of trusteeship cases filed	n/a	1	n/a	n/a	1
Probate Court:					
Number of decedent's estates filed	101	115	125	133	114
Number of guardianship cases filed	41	24	48	32	18
Number of other cases filed	62	50	37	41	44
Number of marriage license issued	330	297	310	319	305
Juvenile Court:					
Number of delinquency cases filed	138	131	151	155	133
Number of traffic cases filed	247	227	241	241	298
Number of dependency/neglect/abuse cases filed	42	63	28	31	26
Number of unruly cases filed	70	60	63	63	57
Number of permanent custody cases filed	n/a	n/a	n/a	n/a	n/a
Number of custody/visitation cases filed	78	61	38	66	56
Number of child support cases filed	60	71	77	64	69
Number of paternity cases filed	10	8	8	3	8
Number of other cases filed	2	2	1	n/a	1
Adult Probation:					
Number of clients serviced	260	327	311	297	309
Public Safety					
Coroner:					
Number of autopsies performed	8	7	2	8	10
Sheriff:					
Jail Operations					
Average daily jail census	47	32.5	29	n/a	n/a
Prisoners booked	899	907	827	n/a	n/a
Enforcement					
Number of calls for service - law enforcement	16,386	15,357	n/a	n/a	n/a
Number of calls for service - fire and ems	3,467	3,076	n/a	n/a	n/a
Number of traffic crashes investigated	730	964	n/a	n/a	n/a
Number of citations issued	1,364	1,276	n/a	n/a	n/a
Number of sheriff sales	44	33	n/a	n/a	n/a
Number of background checks/fingerprints	546	223	n/a	n/a	n/a
Number of sex offenders registered	21	18	n/a	n/a	n/a
Human Services					
MR/DD:					
Number of children enrolled	151	120	109	102	104
Number of adults enrolled	144	135	136	135	135
Number of facilities	7	7	7	7	7
Number of buses	12	12	12	12	12
Number of vans	4	4	4	4	4
Number of pickup trucks	2	2	2	2	2
Veteran's Services:					
Number of applications received	4,390	5,504	5,353	4,985	5,896
Number of financial claims filed	103	87	128	142	144
Number of veterans receiving financial assistance	285	242	393	372	451
Number of veterans transported to VA facilities	438	388	309	306	299
Number of grocery orders received	72	64	89	79	98

Source: Individual County departments

n/a - not available

2001	2000	1999	1998	1997
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1	1	1	1	1
2,396	3,121	2,448	2,162	2,071
457	426	435	550	529
211	188	171	151	151
593	597	471	443	549
2	n/a	n/a	n/a	n/a
128	n/a	n/a	n/a	n/a
27	n/a	n/a	n/a	n/a
29	n/a	n/a	n/a	n/a
294	304	374	325	n/a
132	85	152	152	135
257	262	301	334	167
5	5	12	13	16
41	36	65	35	45
1	1	3	4	1
36	27	27	22	16
57	32	63	59	64
10	11	8	4	15
1	2	69	34	4
n/a	n/a	n/a	n/a	n/a
8	10	1	3	9
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
109	111	119	103	120
139	146	151	155	150
7	7	5	5	5
12	12	11	11	11
4	4	4	4	4
2	2	2	2	2
6,684	5,223	5,014	5,121	4,648
125	119	97	95	100
402	380	296	292	280
311	264	205	220	155
90	82	63	55	50

HOLMES COUNTY, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2006	2005	2004	2003	2002
County Home:					
Number of patients	16,962	17,006	17,085	17,182	15,314
Per capita cost - per day (in dollars)	83.57	87.84	83.54	79.23	81.98
Per capita cost - per month (in dollars)	2,507.04	2,635.31	2,506.08	2,376.90	2,459.40
Actual amount collected for year (in dollars)	473,882.21	439,902.85	437,428.27	471,378.42	366,753.40
Job and Family Services:					
Number of clients - food stamps	2,064	2,145	2,018	1,922	1,638
Number of clients - Ohio Works First cash assistance	271	300	313	320	282
Number of clients - disability assistance	48	53	44	60	65
Number of clients - Medicaid	7,259	7,192	7,175	6,553	5,781
Number of clients - child care	212	101	110	260	238
Number of clients - WIA adults	18	36	54	n/a	37
Number of clients - WIA youth	23	27	27	n/a	21
Number of clients - PRC families	35	151	43	39	46
Number of clients - resource room	350	540	500	n/a	n/a
Children Services:					
Number of children helped through direct services	484	n/a	n/a	n/a	n/a
Number of children placed in adoptive homes	3	1	1	2	3
Number of child welfare investigations	157	125	120	129	82
Number of children in foster home care	29	32	29	22	12
Number of children served in paid placement	18	24	14	10	6
Child Support Enforcement:					
Number of active cases	1,219	1,160	1,116	1,107	1,112
Total annual collections (in dollars)	2,916,587.14	2,869,182.50	2,753,741.98	2,717,748.25	2,734,571.20
Victims Assistance:					
Number of clients served	338	289	443	371	n/a
Number of protection orders obtained	44	33	39	24	n/a
Number of compensations awarded	17	11	8	13	n/a
Number of counseling referrals	112	71	117	88	n/a
Number of court orders for restitution	97	78	89	111	n/a
Number of educational presentation	4	4	4	4	n/a
Jail Food Services:					
Number of inmate meals served	35,748	42,442	36,314	40,274	40,015
Number of non-inmate meals served	9,772	9,465	8,866	8,420	8,776
Health					
Dog and Kennel:					
Number of licenses sold	14,759	13,055	10,700	9,924	8,003
Number of dogs impounded	599	560	629	n/a	n/a
Number of dogs adopted	449	477	403	n/a	n/a
Number of returned to owner	141	102	129	n/a	n/a
Public Works					
Engineer:					
Miles of road serviced	35	40	30	n/a	n/a
Number of culverts serviced	111	157	130	n/a	n/a
Number of bridges serviced	30	33	30	n/a	n/a
Transportation:					
Number of clients serviced	82,259	55,249	47,881	15,000	7,000
Number of vehicles	40	35	28	17	10
Landfill and Sewer Operations					
Landfill:					
Remaining useful life (in years)	11.2	11.2	14.3	22.4	27.7
Closure costs at year-end (in millions of dollars)	5.32	5.17	4.93	4.93	4.85
Percentage of capacity used	62.59	55.10	44.00	36.60	30.30
Sewer:					
Number of sewer facilities	6	6	6	6	6
Number of liftstation	12	12	12	12	12
Linear feet of sewer mains	69,115	68,600	68,262	67,557	64,421

Source: Individual County departments

2001	2000	1999	1998	1997
14,631	18,484	18,822	17,440	17,016
89.77	63.13	56.31	57.97	57.91
2,693.10	1,893.90	1,689.30	1,738.00	1,761.43
447,656.09	411,079.22	n/a	n/a	n/a
1,320	n/a	n/a	n/a	n/a
268	n/a	n/a	n/a	n/a
43	n/a	n/a	n/a	n/a
4,557	n/a	n/a	n/a	n/a
103	106	n/a	n/a	n/a
32	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	109	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1,088	1,076	939	1,089	1,144
2,647,188.09	2,413,541.17	2,343,577.14	2,223,704.61	2,232,529.00
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
39,644	47,026	54,277	34,726	n/a
9,084	8,753	8,697	8,788	n/a
7,653	7,167	6,572	6,709	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
3,200	n/a	n/a	n/a	n/a
4	n/a	n/a	n/a	n/a
40.1	n/a	n/a	n/a	n/a
4.80	4.70	4.61	4.54	n/a
26.40	n/a	n/a	n/a	n/a
6	6	6	6	6
12	12	n/a	n/a	n/a
60,275	55,457	n/a	n/a	n/a

HOLMES COUNTY, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM - (CONTINUED)
LAST TEN FISCAL YEARS

Function/Program	2006	2005	2004	2003	2002
Park District Agency					
Number of people enrolled in:					
Soccer	458	400	409	411	416
Volleyball	90	83	81	76	95
Track	249	285	237	276	238
Softball	134	140	127	116	59
Golf League	18	17	11	21	24
Golf Clinic	35	44	42	40	41
Basketball	44	105	191	214	159
Tennis Clinic	n/a	22	14	11	22
Solid Waste					
Number of clients serviced	41,106	40,581	40,216	39,851	39,485
Planning Commission					
Number of clients serviced	1,040	1,040	1,040	1,040	1,040
Number of plots	3,000	500	500	500	500
Health District					
Number of home care clients	n/a	n/a	n/a	4	11
Number of clinic clients	1,411	1,490	1,459	1,020	907
Number of BCMH clients	166	281	285	360	350
Number of Help Me Grow clients	254	243	251	359	106
Number of hospice clients admitted	97	104	96	954	88
Number of WIC clients recertified	1,184	1,135	1,199	1,178	1,191
Number of births recorded	593	510	530	547	586
Number of deaths recorded	282	263	255	300	277
Number of sewage permits	256	166	240	207	215
Number of RV park licenses	13	13	13	13	13
Number of pool licenses	15	16	16	16	16
Number of manufactured home park licenses	10	14	7	11	11
Number of water permits	120	124	174	169	182
Number of solid waste licenses	2	1	1	1	1
Number of food licenses	409	394	401	404	406

Source: Individual County departments

n/a - not available

2001	2000	1999	1998	1997
340	452	n/a	n/a	n/a
124	n/a	n/a	n/a	n/a
272	189	n/a	n/a	n/a
49	46	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
162	249	n/a	n/a	n/a
20	n/a	n/a	n/a	n/a
39,120	38,755	38,540	38,103	38,103
1,040	1,040	1,040	1,040	1,040
500	500	500	500	500
8	146	365	617	n/a
1,050	645	815	887	n/a
317	287	255	235	n/a
n/a	n/a	n/a	n/a	n/a
88	58	47	36	n/a
1,006	954	867	966	n/a
524	570	666	639	n/a
303	256	285	282	n/a
244	210	247	247	n/a
13	14	13	12	n/a
14	15	15	15	n/a
11	11	11	11	n/a
219	194	245	202	n/a
1	1	1	1	n/a
404	337	342	342	n/a

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Mary Taylor, CPA
Auditor of State

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
OCTOBER 4, 2007**