



**Auditor of State
Betty Montgomery**

HOLMES COUNTY
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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Holmes County
2 Court Street
Millersburg, Ohio 44256

To the Board of County Commissioners:

We have audited the financial statements of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 12, 2003, which indicated the financial statements of the County's Enterprise Hospital Fund were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated June 12, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 12, 2003.

This report is intended for the information and use of the audit committee, management, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 12, 2003



**Auditor of State
Betty Montgomery**

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

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the Board of 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 are applicable to each of its major federal programs for the year ended December 31, 2002. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

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

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

However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 12, 2003.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the County as of and for the year ended December 31, 2002, and have issued our report thereon dated June 12, 2003, which indicated the financial statements of the County's Enterprise Hospital Fund were audited by other auditors. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

June 12, 2003

HOLMES COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant/ Project Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through the Ohio Department of Education:</i>				
National School Lunch Program	10.555	N/A	\$4,671	\$4,671
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through the Ohio Department of Education:</i>				
Special Education Cluster: Special Education - Grants to States - Title VI-B	84.027	066043-6B-SF-01P	50,579	48,941
Special Education - Preschool Grants	84.173	066043-PG-S1-01P	22,283	34,448
Total Special Education Cluster			72,862	83,389
Innovative Education Program Strategies	84.298	066043-C2-S1-01	1,307	2,424
<i>Passed through the Ohio Department of Health:</i>				
Special Education - Grants for Infants and Families with Disabilities	84.181	38102-F-A-N-392	15,611	21,446
Total U.S. Department of Education			89,780	107,259
<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	93.667	N/A	26,551	33,525
Medical Assistance Program - CAFS	93.778	N/A	341,240	341,240
Total U.S. Department of Health and Human Services			367,791	374,765
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through the Ohio Department of Development:</i>				
Community Development Block Grants - State's Program	14.228	B-F-00-035-1	73,000	74,515
Community Development Block Grants - State's Program		B-F-01-035-1	193,000	193,000
Community Development Block Grants - State's Program		B-C-00-035-1	31,389	31,389
Total Community Development Block Grants - State's Program			297,389	298,904
HOME Investment Partnership Program	14.239	B-C-00-035-2	92,103	92,103
Total U.S. Department of Housing and Urban Development			389,492	391,007
<u>U.S. DEPARTMENT OF JUSTICE</u>				
<i>Direct:</i>				
Public Safety Partnership and Community Policing Grants				
COPS More Grant	16.710	1999CMWX2552	1,113	1,113
COPS Universal Hiring Grant		96UMWX0756	8,678	8,678
Total Public Safety Partnership and Community Policing Grants			9,791	9,791
<i>Passed through the Ohio Office of Criminal Justice Services:</i>				
Local Law Enforcement Block Grants Program	16.592	2001-LE-LEB-3556	15,000	16,750
Crime Victim Assistance	16.575	2001-VA-GEN-E274	44,187	58,018
Total U.S. Department Justice			68,978	84,559

HOLMES COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Grant/ Project Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed through the Ohio Department of Job and Family Services:</i>				
Workforce Investment Act (WIA) Adult Program	17.258	N/A	20,189	72,219
Workforce Investment Act (WIA) Youth Activities	17.259	N/A	37,718	109,262
Workforce Investment Act (WIA) Dislocated Workers	17.260	N/A	<u>44,902</u>	<u>135,246</u>
Total Workforce Investment Act Cluster			<u>102,809</u>	<u>316,727</u>
Total U.S. Department Labor			<u>102,809</u>	<u>316,727</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<i>Passed through the Ohio Department of Public Safety:</i>				
Emergency Management Performance Grants	83.552	EMC-2002-GR-7005	14,671	14,671
Pre-Disaster Mitigation	83.557	EMC-2002-GR-7037	<u>0</u>	<u>11,363</u>
Total Federal Emergency Management Agency			<u>14,671</u>	<u>26,034</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
National Highway Traffic Governor's Administration				
<i>Passed through the Ohio Department of Public Safety:</i>				
State and Community Highway Safety	20.600	N/A	10,483	10,483
Federal Aviation Administration (FAA)				
<i>Direct:</i>				
Airport Improvement Program	20.106		<u>7,096</u>	<u>9,704</u>
Total U.S. Department of Transportation			<u>17,579</u>	<u>20,187</u>
Total			<u>1,055,771</u>	<u>1,325,209</u>

The notes to the Schedule of Receipts and Expenditures of Federal Awards are an integral part of this schedule.

HOLMES COUNTY

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FIFO METHOD

Federal funds were commingled with the local funds for the Medical Assistance Program – CAFS, Emergency Management Performance Grant (FEMA), Local Law Enforcement Block Grants Program, and the National School Lunch Program. A first-in-first-out (FIFO) method was used to arrive at grant expenditures for these federal programs.

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HOLMES COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2002

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	- Medical Assistance Program- CAFS, CFDA #93.778 -Workforce Investment Act (WIA) Cluster, CFDA #17.258, #17.259 & #17.260
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

REPORTABLE CONDITION

Finding Number	2002-001
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County Leave Policy and Records

We noted the following conditions during our review of the County's leave policies and records:

- The Director of Human Resources (Director), an employee of the Commissioner's Office, maintains payroll timesheets and leave balance records for employees of the Commissioner's Office, Transportation Department, Emergency Management Assistance and Dog Warden. Although payroll was ultimately approved by the Commissioners, payroll timesheets and leave records were not always properly approved by the respective Department Head.
- Overtime and compensatory time was recorded without evidence of prior authorization of the appointing authority or department head as required by County policy.
- Leave was not always used in accordance with the County's policy. County policy states that leave may only be taken in minimum units of one hour. Three out of four employees in the Commissioner's office had used sick or vacation leave in less than one hour increments.
- Employee vacation, sick and compensatory leave balances maintained by the County Engineer, Transportation Department and Commissioners offices contained several errors. These errors were the result of incorrect computation of leave earned and used. Balances calculated manually (County Engineer) were added incorrectly; while the leave records maintained on computer spreadsheets (Transportation Department and Commissioner) did not contain the proper formulas on each line to sum the balances correctly.
- Departmental leave balances did not always agree to the payroll system report leave balances maintained by the Data Processing Department. Consequently, leave may be used or paid which was not properly accrued.

Not adhering to the County's established leave policy and the lack of monitoring over leave accrual, usage and balances, increases the risk that employees could be improperly compensated.

To improve controls over payroll disbursements and improve accountability of leave accrual, usage and balances:

- The County should require that each employee's direct supervisor sign the employee's payroll timesheet as evidence that payment is authorized for actual hours worked by the employee. This authorization should not be made until after the hours are actually worked by the employee.
- Overtime should be approved in advance by the appointing authority or Department Head as required by the County's policy handbook. Sick leave and vacation leave forms should also be approved by the respective Department's supervisor.
- Each Department supervisor should be aware of the County's policies for overtime and leave usage and approve and monitor leave usage in accordance with the County's policies.
- Each Department should submit copies of approved leave forms to the Data Processing Department prior to the processing of payroll and recording of leave taken.
- Each Department should periodically compare leave balances maintained by the Data Processing to their Department's internal records for agreement.
- The County's leave policy should be distributed to all Departments to ensure leave is consistently accrued and used in accordance with the County's policy.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

HOLMES COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A -133 §.315 (b)
 DECEMBER 31, 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> <u>Valid</u> ; <i>Explain:</i>
2001-60938-001	Ohio Revised Code Section 117.28 , a Finding for Recovery for public monies illegally expended was issued against Roger Clark, Commissioner, Richard Graven, Commissioner, David Hall, Commissioner and their bonding company, Western Surety Co.; jointly and severally, in the amount of \$850.65, and in favor of the County's General Fund.	Yes	Finding No Longer Valid – Finding Repaid Under Audit by the County Commissioners on June 26, 2002.

Holmes County Ohio



*Comprehensive Annual Financial Report
For The Year Ended December 31, 2002*

Holmes County Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2002



Jackie McKee

Holmes County Auditor

Prepared by the Holmes County Auditor's Office

Holmes County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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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 12, 2003

The Honorable David L. Hall
The Honorable Joe Miller
The Honorable Richard A. Graven

The Citizens of Holmes County:

I am pleased to present Holmes County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2002. 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 and account groups of the County.

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

This is the eleventh consecutive Comprehensive Annual Financial Report issued by the County Auditor's office. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Government Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

The Comprehensive Annual Financial Report is presented in three sections, which are identified as follows:

The Introductory Section includes a table of contents, the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for 2001, a list of elected county officials and an organization chart for Holmes County.

The Financial Section includes the Independent Accountants' Report and the General Purpose Financial Statements (GPFS). The GPFS include the combined financial statements of all fund types and account groups. Additionally, this section contains the combining and individual financial statements and schedules for each fund, which are grouped according to fund type and account group.

The Statistical Section includes selected financial and demographic information, which is generally on a multi-year basis.

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

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

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

The County Auditor, who is elected to a four-year term, serves as the chief fiscal officer for the County and the tax assessor for all political subdivisions within the County. As the chief fiscal officer, no contract or obligation involving the County can be made without the Auditor's certification that appropriations are sufficient and that funds are available to ensure that the contract or obligation can be paid. The Auditor is also the central disbursing agent of the County, who, by the issuance of county warrants, distributes funds to creditors in payment of liabilities, including payroll, incurred by the County and its departments. As tax assessor, the County Auditor is responsible for establishing the tax rates for real estate, personal property and manufactured homes. Once these taxes are collected, the County Auditor is responsible for distributing those collections to other governmental entities in accordance with legally adopted rates. The County Auditor also serves as the secretary of the County Board of Revision and of the County Budget Commission. The County has not established a microfilm board or a data processing board.

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 government and all other local governments within the County.

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

The County provides its citizens with a range of services that include human and social services, health and community assistance services, civil and criminal justice system services, road and bridge maintenance, and other general and administrative support services.

The County operates certain enterprise funds, which include a water district, a sewer district, County disposal (landfill) and a hospital.

For financial reporting purposes, the County includes all funds, account groups, agencies, boards and commission that are not legally separate from the County (the Primary Government) and its component units in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity". The County's reporting entity includes the financial activities of the Children Services Board, the Board of Mental Retardation and Developmental Disabilities (MRDD), the

Department of Job and Family Services, the Joel Pomerene Hospital, the Rails-to-Trails Coalition Agency, and all departments and activities that are directly operated by the elected County officials.

The Holmes County Regional Planning Commission, the Holmes County Airport Authority and Lynn Hope Industries, Inc., a non-profit organization, have been included as discretely presented component units.

Excluded from this reporting entity are Holmes County Committee on Aging, Senior Citizens Center, Holmes County Law Library, Holmes County Cooperative Extension Service and Holmes County Historical Society. These organizations have been excluded from the reporting entity because they are not fiscally dependent on the County, and the County is not financially accountable for them.

The Holmes County Emergency Management Agency and the Alcohol, Drug Addiction and Mental Health Services Board of Wayne and Holmes Counties are joint ventures. The Multi-County Juvenile Attention Center, the Stark Regional Community Corrections Center and the Holmes County Family First Council are jointly governed organizations. Holmes County is also a member of the County Risk Sharing Authority, Inc. and the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan, which are public entity risk pools.

The Holmes County Public Library, the Holmes County Park District and the Northeast Ohio Outreach Network are related organizations. The County serves as a fiscal agent for the District Board of Health, the Soil and Water Conservation District, and the Local emergency Planning Commission; therefore, they are reflected as agency funds within the County's financial section.

Economic Condition and Outlook

Holmes County is a predominantly rural county and has no large metropolitan or densely populated areas. Farming and tourism are the first and second biggest contributors, respectively, to the County's economy, and both are thriving. Manufacturing is right behind them in terms of revenue generated and jobs created. Much of the manufacturing economy is the result of small scale operations, particularly in woodworking, that are often called "cottage industries" because production takes place in sheds or garages on farms and residential lots in Holmes County. As in many rural areas, farmland preservation has become an issue in the County, and its effect on the future development of all segments of an area's economy cannot be ignored. With a low rate of unemployment, durable farming and tourist industries and a healthy base of cottage and light industry, the Holmes County economy is well positioned to face the challenges of the next millennium.

2002 was the ninth year in which a hotel/motel bed tax was put into effect on a County level. The number of hotel/motel facilities paying the tax is 26. The Holmes 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 2002 for the bed tax were the highest recorded due to the increase in percentage, increasing from \$126,336 in 2001 to \$282,699 in 2002. A total of \$110,000 was distributed to organizations for community projects.

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

New Construction

New construction of Agricultural, Residential, Industrial and Commercial properties is perhaps the best barometer for economic growth in the County. Below is a chart depicting the steady growth for the past five years.

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

Financial Information

Basis of Accounting The County's accounting system is organized on a "fund basis." Each fund or account group is a distinct self-balancing accounting entity. The County's day-to-day accounting and budgetary records are maintained on a basis other than Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, the accounting records are converted to the modified accrual basis for all governmental and agency funds and the accrual basis for proprietary funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. On the accrual basis, revenues are recognized when measurable and earned; expenses are recognized when incurred. A further discussion of the bases of accounting can be found in Note 2 of the general purpose financial statements.

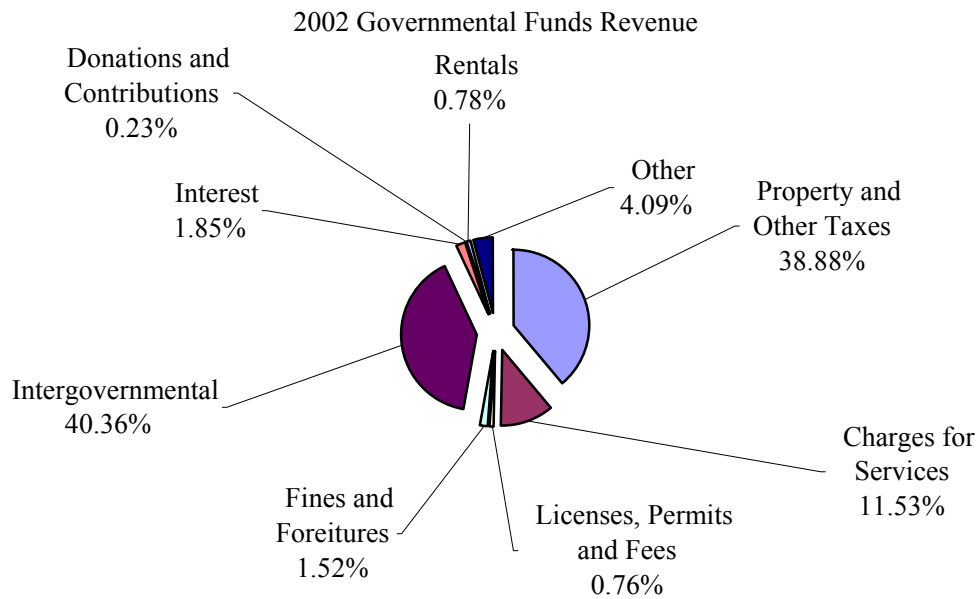
Internal Controls In developing the accounting system, the County gave much consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized 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 fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the accounting department of the Auditor's Office, help insure that the financial information generated is both accurate and reliable.

Budgetary Controls The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the coming year. This appropriation is sometimes called a temporary appropriation. Usually by mid-February but before April 1, permanent appropriations are approved which take into consideration the balances left from the prior year as well as any revisions in revenue estimated for the year. All disbursements and transfers of cash between funds require appropriation

authority. Budgets are controlled at the object level within a department and fund. Purchase orders are approved by the department heads and by the Commissioners for departments under their control and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured. A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular account.

General Government Functions- Financial Highlights Below is a summary of the activity of the governmental funds' revenues on a GAAP basis:



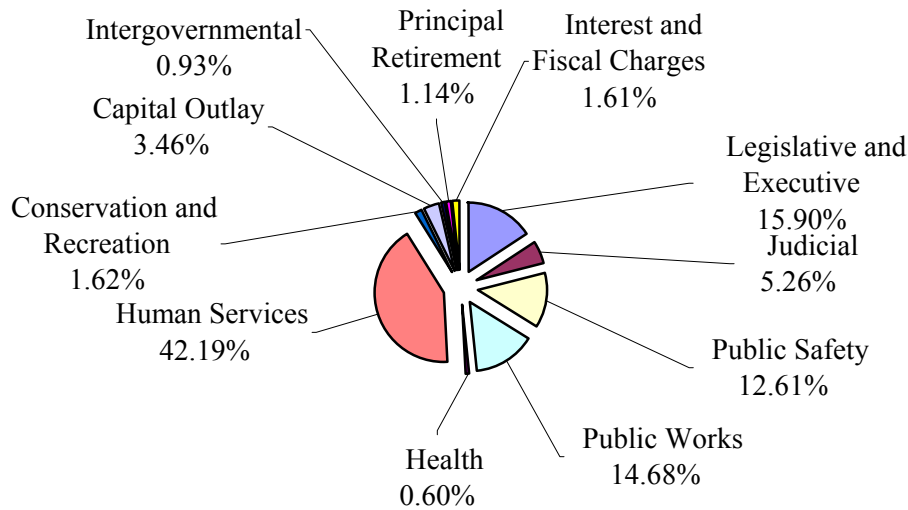
The following schedule presents a summary of all governmental funds' revenues of the primary government for the years ended December 31, 2001 and 2002, and the amount and percentage of increases and decreases in relation to prior year's revenues.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Revenues:					
Property and Other Taxes	\$8,212,435	\$9,335,703	38.88%	\$1,123,268	13.68 %
Charges for Services	3,015,869	2,769,018	11.53	(246,851)	(8.19)
Licenses, Permits and Fees	176,104	181,563	0.76	5,459	3.10
Fines and Foreitures	337,478	365,747	1.52	28,269	8.38
Intergovernmental	10,924,701	9,692,574	40.36	(1,232,127)	(11.28)
Interest	727,365	443,219	1.85	(284,146)	(39.07)
Donations and Contributions	55,429	54,437	0.23	(992)	(1.79)
Rentals	186,021	188,286	0.78	2,265	1.22
Other	2,337,516	982,964	4.09	(1,354,552)	(57.95)
Total Revenues	<u><u>\$25,972,918</u></u>	<u><u>\$24,013,511</u></u>	<u><u>100.00%</u></u>	<u><u>(\$1,959,407)</u></u>	<u><u>(7.54) %</u></u>

Taxes increased \$1,123,268 due to a triennial tax update in 2001 that began being collected in 2002. Intergovernmental revenues decreased \$1,232,127 and other revenues decreased \$1,354,522 due to a decrease in intergovernmental and other public assistance monies being received. Interest revenue decreased \$284,146 due to less monies being available for investments and lower interest rates.

Below is a summary of the activity of the governmental funds' expenditures on a GAAP Basis:

2002 Governmental Funds Expenditures



The following schedule presents a summary of all governmental funds' expenditures of the primary government for the years ended December 31, 2001 and 2002, and the amount and percentage of increases and decreases in relation to prior year's revenues.

	2001 Amount	2002 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
General Government					
Legislative and Executive	\$3,800,366	\$3,774,518	15.90%	(\$25,848)	(0.68) %
Judicial	1,366,214	1,249,785	5.26	(116,429)	(8.52)
Public Safety	3,188,776	2,993,221	12.61	(195,555)	(6.13)
Public Works	3,920,469	3,484,923	14.68	(435,546)	(11.11)
Health	141,375	142,226	0.60	851	0.60
Human Services	11,218,626	10,017,667	42.19	(1,200,959)	(10.71)
Conservation and Recreation	356,461	383,566	1.62	27,105	7.60
Capital Outlay	1,313,245	820,433	3.46	(492,812)	(37.53)
Intergovernmental	399,602	221,316	0.93	(178,286)	(44.62)
Debt Service:					
Principal Retirement	263,000	271,000	1.14	8,000	3.04
Interest and Fiscal Charges	327,646	383,089	1.61	55,443	16.92
Total Expenditures	\$26,295,780	\$23,741,744	100%	(\$2,554,036)	(9.71) %

Public works decreased \$435,546 due to less supplies purchased in the motor vehicle license and gas tax fund. Human services decreased \$1,200,959 due to a reduction in personal services in the public assistance fund. Capital outlay decreased \$492,812 due to a decrease in the number of construction projects within the County, including less projects in the landfill and Issue II capital project funds. Intergovernmental expenditures decreased \$178,286 due to less monies being transferred to outside organizations.

General Fund Balance The general fund encompasses the general government functions of the County and all other functions not accounted for in other funds. The fund balance of the general fund increased from \$1,317,876 to \$1,708,922 during 2002. The increase of \$391,046 was due to an increase in property tax revenues.

Enterprise Funds The enterprise funds operated by the County consist of a water district, a sewer district, County disposal (landfill) and hospital. Operating revenues in the water district fund totaled \$12,772 with net income of \$3,472. Operating revenues in the sewer district fund totaled \$889,662 with depreciation expense of \$194,192, a net loss of \$26,276, and retained earnings deficit at year end of (\$1,296,900). The County disposal (landfill) fund had operating revenues of \$48,453, a net loss of \$1,147,344 and retained earnings deficit at year end of (\$2,991,591). Management is analyzing these operations to determine appropriate steps to alleviate the deficits. Operating revenues in the hospital fund totaled \$22,356,337 with depreciation expense of \$1,182,604, a net income of \$2,075,063, and retained earnings at year end of \$17,219,398.

Fiduciary Funds Fiduciary funds account for assets held by the County as an agent for individuals, private organizations, other governmental units and/or other funds. The fiduciary funds which the County maintains are all agency funds.

At December 31, 2002, assets in the agency funds totaled \$32,481,443. The County utilizes some of the agency funds to receive and distribute taxes and State levied revenues for all governments within the County.

Cash Management During the year ended December 31, 2002, the County's pooled cash was divided into bank deposits and short-term investments.

The County Treasurer, custodian of all County monies, is responsible for investing all idle funds and for directing the investment policies of the County. The County pools its cash for maximum investment efficiency and simplified accountability. The County Treasurer invests the pooled cash in certificates of deposit, STAROhio and other interest bearing depository accounts. Interest revenue is allocated to the general fund and to other qualifying funds as prescribed by Ohio law.

Risk Management In 2002, the County contracted with the County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The County maintains replacement cost insurance on buildings and their contents. Police and professional liability are protected with a \$6,000,000 limit and a \$2,500 deductible. County vehicles hold a \$2,500 deductible. Automobile liability has a \$6,000,000 limit for collision, a \$1,000,000 limit for personal injury and a \$250,000 amount for uninsured motorists. During the past three years, settled claims have not exceeded this commercial coverage. There has not been a significant reduction of coverage from the prior year. Workers' compensation coverage is maintained by paying premiums to the State of Ohio.

Debt Administration In 2002, the County retired \$545,915 in revenue bonds. The amount of outstanding revenue bonds at December 31, 2002, was \$4,152,085. During 2002, the County retired \$271,000 of general obligation bonds. The amount of outstanding general obligation bonds at December 31, 2002, was \$5,605,000. The total legal debt margin at December 31, 2002 was \$12,152,391 with an unvoted total debt margin of \$4,175,011.

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, 2002, by independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133.

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

Awards

The Governmental Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Holmes County, Ohio, for its comprehensive annual financial report for the year ended December 31, 2001. This was the tenth 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 Generally Accepted Accounting Principles (GAAP) and satisfy all applicable legal requirements.

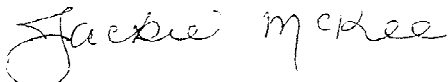
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are again submitting it to the GFOA to determine its eligibility to receive the certificate, which is the highest form of 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 the Local Government Services Section of Auditor of State, Betty Montgomery's Office for their cooperation and technical guidance in completing Holmes County's eleventh consecutive Comprehensive Annual Financial Report.

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

Sincerely,



JACKIE MCKEE
HOLMES COUNTY AUDITOR

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Holmes County,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



William Patrick Wate

President

Jeffrey R. Emer

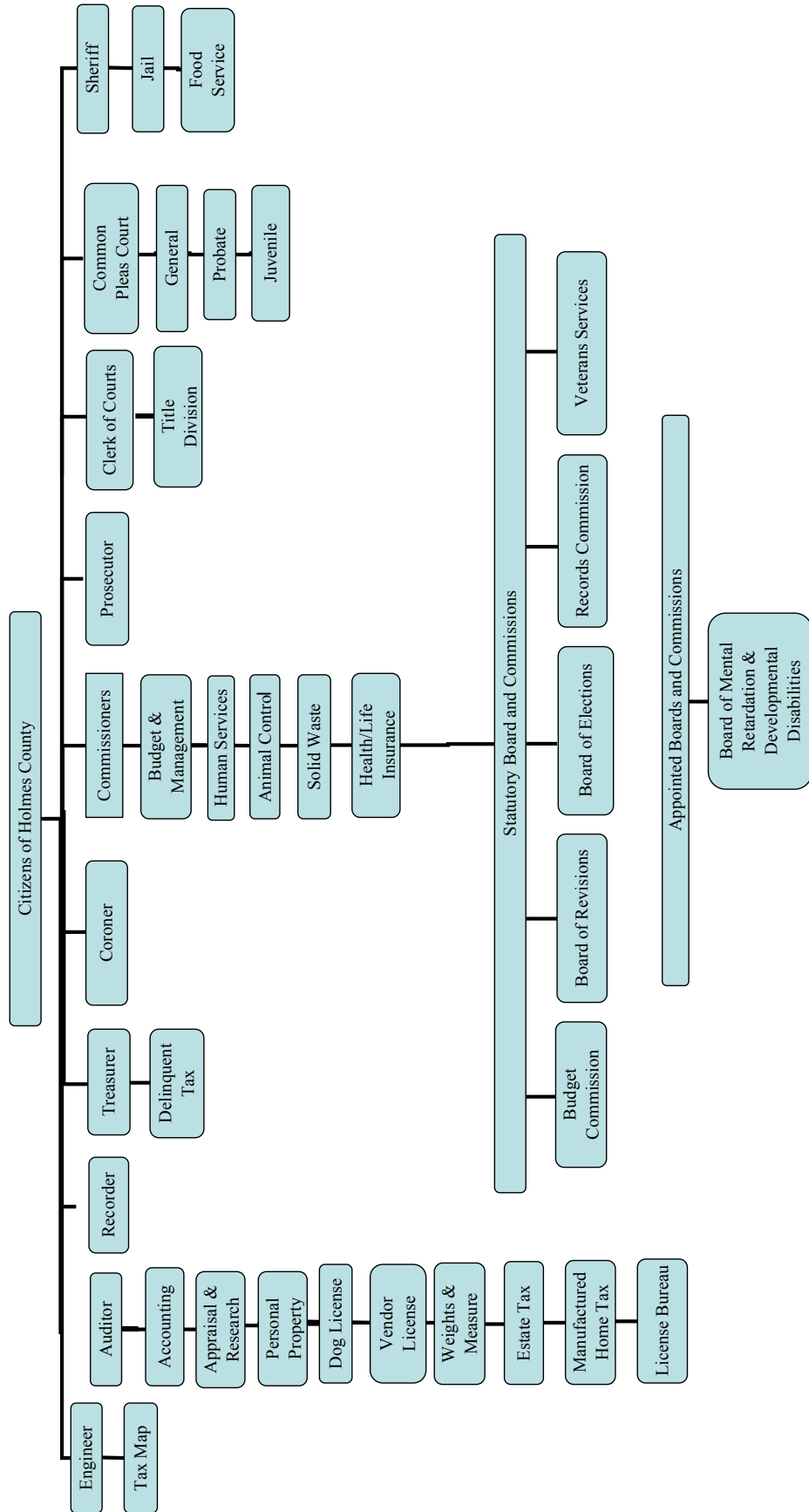
Executive Director

Holmes County, Ohio

*Elected Officials
December 31, 2002*

CommissionerDavid L. Hall
Commissioner Roger L. Clark
CommissionerRichard A. Graven
AuditorJackie McKee
Treasurer Joyce L. Yoder
Prosecuting Attorney Robert D. Rinfret
Common Pleas Judge Thomas D. White
Probate and Juvenile Judge Thomas C. Lee
County Court Judge Jane Irving Baserman
Clerk of Courts Dorcas L. Miller
Coroner Robert J. Anthony, MD
Sheriff Timothy W. Zimmerly
Recorder Sally E. Miller
Engineer Robert L. Kasner

HOLMES COUNTY, OHIO
ORGANIZATION CHART



Financial Section



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

We have audited the accompanying general purpose financial statements of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Joel Pomerene Memorial Hospital (the Hospital), which represents 77% and 96%, respectively, of the assets and revenues of the County's Enterprise Funds. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Hospital, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Holmes County as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

Betty Montgomery
Auditor of State

June 12, 2003

GENERAL PURPOSE
FINANCIAL STATEMENTS

Holmes County, Ohio
Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units
December 31, 2002

	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
ASSETS AND OTHER DEBITS					
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,499,311	\$8,080,473	\$70,616	\$530,316	\$709,343
Cash and Cash Equivalents in Segregated Accounts	9,346	0	0	90,798	1,814,155
Investments in Segregated Accounts	0	0	0	0	0
Receivables:					
Taxes (Due from Agency Funds)	1,869,150	3,723,995	0	0	0
Taxes	322,927	0	35,000	12,000	0
Accounts (Net of Allowances)	37,225	58,163	1,420	3,200	3,764,003
Interfund	467	0	0	0	0
Interest	6,410	1,816	0	0	0
Due from Other Funds	18,308	7,428	0	0	0
Intergovernmental Receivable	493,237	1,649,763	0	0	0
Advances to Other Funds	0	163,050	0	0	0
Materials and Supplies					
Inventory	52,661	265,566	0	0	213,277
Prepaid Items	46,753	21,790	0	0	0
Prepaid Items and Other Assets	0	0	0	0	244,013
Notes and Loans Receivable	0	0	0	0	196,826
Other Assets	0	0	0	0	0
Assets Limited as to Use	0	0	0	0	5,621,166
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0	15,180,280
Other Debits					
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0	0
Amount Available in Special Revenue Funds for Accrued Compensated Absences	0	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$4,355,795</u>	<u>\$13,972,044</u>	<u>\$107,036</u>	<u>\$636,314</u>	<u>\$27,743,063</u>

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long-Term Obligations			
Agency					
\$2,863,862	\$0	\$0	\$13,753,921	\$184,709	\$13,938,630
510,544	0	0	2,424,843	324,352	2,749,195
25,000	0	0	25,000	0	25,000
0	0	0	5,593,145	0	5,593,145
28,161,219	0	0	28,531,146	0	28,531,146
102,750	0	0	3,966,761	16,556	3,983,317
0	0	0	467	0	467
0	0	0	8,226	0	8,226
0	0	0	25,736	0	25,736
818,068	0	0	2,961,068	2,608	2,963,676
0	0	0	163,050	0	163,050
0	0	0	531,504	0	531,504
0	0	0	68,543	287	68,830
0	0	0	244,013	0	244,013
0	0	0	196,826	0	196,826
0	0	0	0	6,166	6,166
0	0	0	5,621,166	0	5,621,166
0	25,880,097	0	41,060,377	357,477	41,417,854
0	0	103,492	103,492	0	103,492
0	0	240,000	240,000	0	240,000
0	0	6,593,728	6,593,728	0	6,593,728
<u>\$32,481,443</u>	<u>\$25,880,097</u>	<u>\$6,937,220</u>	<u>\$112,113,012</u>	<u>\$892,155</u>	<u>\$113,005,167</u>

(continued)

Holmes County, Ohio
Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units (continued)
December 31, 2002

	Governmental Fund Types				Proprietary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES, FUND EQUITY, NET ASSETS AND OTHER CREDITS					
Liabilities					
Accounts Payable	\$76,058	\$290,807	\$0	\$13,433	\$464,222
Contracts Payable	0	0	0	0	20,772
Accrued Wages	202,955	356,508	0	111	1,655,234
Compensated Absences Payable	10,567	20,797	0	0	13,032
Interfund Payable	0	467	0	0	0
Due to Other Funds	1,693	24,043	0	0	0
Intergovernmental Payable	43,327	174,616	0	0	7,994
Advances from Other Funds	0	0	0	0	163,050
Deferred Revenue	2,312,273	4,836,297	0	0	0
Undistributed Assets (Due to County Funds)	0	0	0	0	0
Undistributed Assets	0	0	0	0	0
Accrued Interest Payable	0	0	0	24,064	96,278
Notes Payable	0	0	0	174,586	0
Third-Party Settlements	0	0	0	0	325,000
Other Accrued Expenses	0	0	0	0	284,094
OPWC Loan Payable	0	0	0	0	126,987
Capital Leases Payable	0	0	0	0	110,245
Closure and Postclosure Care Payable	0	0	0	0	3,416,921
General Obligation Bonds Payable	0	0	0	0	0
Revenue Bonds Payable	0	0	0	0	4,152,085
<i>Total Liabilities</i>	<u>2,646,873</u>	<u>5,703,535</u>	<u>0</u>	<u>212,194</u>	<u>10,835,914</u>
Fund Equity, Net Assets and Other Credits					
Investment in General Fixed Assets	0	0	0	0	0
Contributed Capital	0	0	0	0	3,972,770
Retained Earnings:					
Unreserved	0	0	0	0	12,934,379
Net Assets:					
Unrestricted (Deficit)	0	0	0	0	0
Fund Balance:					
Reserved for Encumbrances	101,490	57,632	3,544	740	0
Reserved for Unclaimed Monies	17,118	0	0	0	0
Reserved for Advances	0	163,050	0	0	0
Unreserved:					
Designated for Compensated Absences	0	240,000	0	0	0
Unreserved, Undesignated	1,590,314	7,807,827	103,492	423,380	0
<i>Total Fund Equity, Net Assets and Other Credits</i>	<u>1,708,922</u>	<u>8,268,509</u>	<u>107,036</u>	<u>424,120</u>	<u>16,907,149</u>
<i>Total Liabilities, Fund Equity, Net Assets and Other Credits</i>	<u>\$4,355,795</u>	<u>\$13,972,044</u>	<u>\$107,036</u>	<u>\$636,314</u>	<u>\$27,743,063</u>

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units	Totals (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long-Term Obligations			
Agency					
\$0	\$0	\$0	\$844,520	\$3,526	\$848,046
0	0	0	20,772	0	20,772
0	0	0	2,214,808	7,924	2,222,732
0	0	846,302	890,698	95	890,793
0	0	0	467	0	467
0	0	0	25,736	0	25,736
422,251	0	485,918	1,134,106	5,860	1,139,966
0	0	0	163,050	0	163,050
0	0	0	7,148,570	24,408	7,172,978
5,593,145	0	0	5,593,145	0	5,593,145
26,466,047	0	0	26,466,047	0	26,466,047
0	0	0	120,342	0	120,342
0	0	0	174,586	269,370	443,956
0	0	0	325,000	0	325,000
0	0	0	284,094	0	284,094
0	0	0	126,987	0	126,987
0	0	0	110,245	0	110,245
0	0	0	3,416,921	0	3,416,921
0	0	5,605,000	5,605,000	0	5,605,000
0	0	0	4,152,085	0	4,152,085
<u>32,481,443</u>	<u>0</u>	<u>6,937,220</u>	<u>58,817,179</u>	<u>311,183</u>	<u>59,128,362</u>
0	25,880,097	0	25,880,097	0	25,880,097
0	0	0	3,972,770	0	3,972,770
0	0	0	12,934,379	554,179	13,488,558
0	0	0	0	(147,086)	(147,086)
0	0	0	163,406	0	163,406
0	0	0	17,118	0	17,118
0	0	0	163,050	0	163,050
0	0	0	240,000	0	240,000
0	0	0	9,925,013	173,879	10,098,892
<u>0</u>	<u>25,880,097</u>	<u>0</u>	<u>53,295,833</u>	<u>580,972</u>	<u>53,876,805</u>
<u>\$32,481,443</u>	<u>\$25,880,097</u>	<u>\$6,937,220</u>	<u>\$112,113,012</u>	<u>\$892,155</u>	<u>\$113,005,167</u>

Holmes County, Ohio
Combined Statement of Revenues, Expenditures and Changes
In Fund Balances
All Governmental Fund Types and Discretely Presented Component Unit
For the Year Ended December 31, 2002

	Governmental Fund		
	General	Special Revenue	Debt Service
Revenues			
Property and Other Taxes	\$1,872,851	\$3,568,578	\$0
Sales Taxes	3,329,836	438	420,000
Charges for Services	1,594,067	1,131,392	1,435
Licenses, Permits and Fees	88,762	92,801	0
Fines and Forfeitures	99,805	196,253	0
Intergovernmental	1,021,152	8,439,208	0
Interest	375,746	63,642	0
Contributions and Donations	0	0	0
Rentals	19,405	32,793	136,088
Other	443,017	502,492	0
<i>Total Revenues</i>	<u>8,844,641</u>	<u>14,027,597</u>	<u>557,523</u>
Expenditures			
Current:			
General Government:			
Legislative and Executive	2,810,416	964,102	0
Judicial	1,193,397	56,388	0
Public Safety	2,686,904	306,317	0
Public Works	38,070	3,446,853	0
Health	56,180	86,046	0
Human Services	220,915	9,796,752	0
Conservation and Recreation	338,987	44,579	0
Capital Outlay	0	0	0
Intergovernmental	221,316	0	0
Debt Service:			
Principal Retirement	0	0	271,000
Interest and Fiscal Charges	0	0	383,089
<i>Total Expenditures</i>	<u>7,566,185</u>	<u>14,701,037</u>	<u>654,089</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,278,456</u>	<u>(673,440)</u>	<u>(96,566)</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	907,118	33,020
Operating Transfers Out	(754,175)	(338,194)	0
Transfers In From Primary Government	0	0	0
Transfers Out to Component Units	(133,235)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(887,410)</u>	<u>568,924</u>	<u>33,020</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	391,046	(104,516)	(63,546)
<i>Fund Balances Beginning of Year</i>	<u>1,317,876</u>	<u>8,373,025</u>	<u>170,582</u>
<i>Fund Balances End of Year</i>	<u>\$1,708,922</u>	<u>\$8,268,509</u>	<u>\$107,036</u>

See accompanying notes to the general purpose financial statements

Types	Totals (Memorandum Only) Primary Government	Holmes County Regional Planning Commission	Totals (Memorandum Only) Reporting Entity
Capital Projects			
\$0	\$5,441,429	\$0	\$5,441,429
144,000	3,894,274	0	3,894,274
42,124	2,769,018	786	2,769,804
0	181,563	0	181,563
69,689	365,747	0	365,747
232,214	9,692,574	89,526	9,782,100
3,831	443,219	0	443,219
54,437	54,437	0	54,437
0	188,286	0	188,286
37,455	982,964	0	982,964
583,750	24,013,511	90,312	24,103,823
0	3,774,518	157,005	3,931,523
0	1,249,785	0	1,249,785
0	2,993,221	0	2,993,221
0	3,484,923	0	3,484,923
0	142,226	0	142,226
0	10,017,667	0	10,017,667
0	383,566	0	383,566
820,433	820,433	0	820,433
0	221,316	0	221,316
0	271,000	0	271,000
0	383,089	0	383,089
820,433	23,741,744	157,005	23,898,749
(236,683)	271,767	(66,693)	205,074
63,500	1,003,638	0	1,003,638
0	(1,092,369)	0	(1,092,369)
0	0	112,235	112,235
0	(133,235)	0	(133,235)
63,500	(221,966)	112,235	(109,731)
(173,183)	49,801	45,542	95,343
597,303	10,458,786	128,337	10,587,123
\$424,120	\$10,508,587	\$173,879	\$10,682,466

Holmes County, Ohio
*Combined Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types - Primary Government
For the Year Ended December 31, 2002*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$1,768,800	\$1,872,851	\$104,051
Sales Taxes	3,017,000	3,297,913	280,913
Charges for Services	1,325,000	1,483,006	158,006
Licenses, Permits and Fees	106,535	87,227	(19,308)
Fines and Forfeitures	98,000	96,036	(1,964)
Intergovernmental	1,113,025	1,023,383	(89,642)
Interest	400,000	379,605	(20,395)
Rentals	21,310	19,523	(1,787)
Other	408,485	432,395	23,910
<i>Total Revenues</i>	<u>8,258,155</u>	<u>8,691,939</u>	<u>433,784</u>
Expenditures			
Current:			
General Government:			
Legislative and Executive	4,139,464	3,755,510	383,954
Judicial	1,006,406	908,543	97,863
Public Safety	2,088,925	2,071,264	17,661
Public Works	36,442	36,441	1
Health	60,341	56,180	4,161
Human Services	297,758	182,703	115,055
Conservation and Recreation	339,637	338,987	650
Capital Outlay	0	0	0
Intergovernmental	354,551	354,551	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>8,323,524</u>	<u>7,704,179</u>	<u>619,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(65,369)</u>	<u>987,760</u>	<u>1,053,129</u>
Other Financing Sources (Uses)			
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(788,716)	(754,175)	34,541
<i>Total Other Financing Sources (Uses)</i>	<u>(788,716)</u>	<u>(754,175)</u>	<u>34,541</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(854,085)</u>	<u>233,585</u>	<u>1,087,670</u>
<i>Fund Balances Beginning of Year</i>	<u>983,969</u>	<u>983,969</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>156,346</u>	<u>156,346</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$286,230</u></u>	<u><u>\$1,373,900</u></u>	<u><u>\$1,087,670</u></u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$3,549,366	\$3,568,578	\$19,212	\$0	\$0	\$0
203	945	742	420,000	420,000	0
1,316,362	1,153,497	(162,865)	110,000	127,624	17,624
87,700	95,252	7,552	0	0	0
177,580	200,162	22,582	0	0	0
10,567,177	8,393,301	(2,173,876)	0	0	0
50,954	161,338	110,384	0	0	0
25,500	25,291	(209)	136,088	136,088	0
436,834	501,521	64,687	827,361	1,009,729	182,368
16,211,676	14,099,885	(2,111,791)	1,493,449	1,693,441	199,992
1,083,397	972,254	111,143	0	0	0
114,734	55,641	59,093	0	0	0
537,865	327,901	209,964	0	0	0
5,199,380	3,414,323	1,785,057	0	0	0
99,348	87,154	12,194	0	0	0
12,634,324	9,752,040	2,882,284	0	0	0
45,000	44,840	160	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	830,265	824,222	6,043
0	0	0	567,125	557,394	9,731
19,714,048	14,654,153	5,059,895	1,397,390	1,381,616	15,774
(3,502,372)	(554,268)	2,948,104	96,059	311,825	215,766
98,000	98,000	0	0	0	0
(123,000)	(123,000)	0	(98,000)	(98,000)	0
756,251	907,118	150,867	49,635	33,020	(16,615)
(740,459)	(338,194)	402,265	0	0	0
(9,208)	543,924	553,132	(48,365)	(64,980)	(16,615)
(3,511,580)	(10,344)	3,501,236	47,694	246,845	199,151
7,717,605	7,717,605	0	724,083	724,083	0
180,667	180,667	0	0	0	0
\$4,386,692	\$7,887,928	\$3,501,236	\$771,777	\$970,928	\$199,151

(continued)

Holmes County, Ohio
*Combined Statement of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types - Primary Government (continued)
For the Year Ended December 31, 2002*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$0	\$0	\$0
Sales Taxes	144,000	144,000	0
Charges for Services	27,500	44,678	17,178
Licenses, Permits and Fees	0	0	0
Fines and Forfeitures	54,033	66,759	12,726
Intergovernmental	245,743	232,337	(13,406)
Interest	7,500	3,688	(3,812)
Rentals	0	0	0
Other	12,208	37,455	25,247
<i>Total Revenues</i>	<u>490,984</u>	<u>528,917</u>	<u>37,933</u>
Expenditures			
Current:			
General Government:			
Legislative and Executive	0	0	0
Judicial	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Health	0	0	0
Human Services	0	0	0
Conservation and Recreation	0	0	0
Capital Outlay	1,009,406	791,076	218,330
Intergovernmental	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>1,009,406</u>	<u>791,076</u>	<u>218,330</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(518,422)</u>	<u>(262,159)</u>	<u>256,263</u>
Other Financing Sources (Uses)			
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	163,506	63,500	(100,006)
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>163,506</u>	<u>63,500</u>	<u>(100,006)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(354,916)</u>	<u>(198,659)</u>	<u>156,257</u>
<i>Fund Balances Beginning of Year</i>	652,518	652,518	0
Prior Year Encumbrances Appropriated	<u>73,090</u>	<u>73,090</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$370,692</u></u>	<u><u>\$526,949</u></u>	<u><u>\$156,257</u></u>

See accompanying notes to the general purpose statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$5,318,166	\$5,441,429	\$123,263
3,581,203	3,862,858	281,655
2,778,862	2,808,805	29,943
194,235	182,479	(11,756)
329,613	362,957	33,344
11,925,945	9,649,021	(2,276,924)
458,454	544,631	86,177
182,898	180,902	(1,996)
1,684,888	1,981,100	296,212
<u>26,454,264</u>	<u>25,014,182</u>	<u>(1,440,082)</u>
5,222,861	4,727,764	495,097
1,121,140	964,184	156,956
2,626,790	2,399,165	227,625
5,235,822	3,450,764	1,785,058
159,689	143,334	16,355
12,932,082	9,934,743	2,997,339
384,637	383,827	810
1,009,406	791,076	218,330
354,551	354,551	0
830,265	824,222	6,043
567,125	557,394	9,731
<u>30,444,368</u>	<u>24,531,024</u>	<u>5,913,344</u>
<u>(3,990,104)</u>	<u>483,158</u>	<u>4,473,262</u>
98,000	98,000	0
(221,000)	(221,000)	0
969,392	1,003,638	34,246
<u>(1,529,175)</u>	<u>(1,092,369)</u>	<u>436,806</u>
<u>(682,783)</u>	<u>(211,731)</u>	<u>471,052</u>
(4,672,887)	271,427	4,944,314
10,078,175	10,078,175	0
410,103	410,103	0
<u>\$5,815,391</u>	<u>\$10,759,705</u>	<u>\$4,944,314</u>

Holmes County, Ohio
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
Proprietary Fund Type and Discretely Presented Component Unit
For the Year Ended December 31, 2002*

	Enterprise	Holmes County Airport Authority	Totals (Memorandum Only) Reporting Entity
Operating Revenues			
Charges for Services	\$22,527,963	\$26,187	\$22,554,150
Rentals	0	33,759	33,759
Other	779,261	0	779,261
<i>Total Operating Revenues</i>	<u>23,307,224</u>	<u>59,946</u>	<u>23,367,170</u>
Operating Expenses			
Personal Services	10,013,661	0	10,013,661
Materials and Supplies	6,085,914	20,310	6,106,224
Contractual Services	581,798	66,787	648,585
Provision for Bad Debts	821,634	0	821,634
Physician Recruiting and Incentive	167,177	0	167,177
Medical Professional Fees	2,213,345	0	2,213,345
Depreciation	1,376,796	14,364	1,391,160
Closure and Postclosure	1,140,028	0	1,140,028
Other	2,832	0	2,832
<i>Total Operating Expenses</i>	<u>22,403,185</u>	<u>101,461</u>	<u>22,504,646</u>
<i>Operating Income (Loss)</i>	<u>904,039</u>	<u>(41,515)</u>	<u>862,524</u>
Non-Operating Revenues (Expenses)			
Non-Operating Income	0	11,809	11,809
Net Non-Operating Income	126,579	0	126,579
NE Network Grant - Net	(44,364)	0	(44,364)
Operating Grants	0	7,096	7,096
Interest	0	8,486	8,486
Interest and Fiscal Charges	(174,340)	0	(174,340)
Change in Fair Value of Investments	4,270	0	4,270
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(87,855)</u>	<u>27,391</u>	<u>(60,464)</u>
<i>Net Income Before Operating Transfers</i>	816,184	(14,124)	802,060
Operating Transfer In	88,731	0	88,731
Transfer in from Primary Government	0	21,000	21,000
<i>Net Income</i>	904,915	6,876	911,791
<i>Retained Earnings Beginning of Year</i>	<u>12,029,464</u>	<u>547,303</u>	<u>12,576,767</u>
<i>Retained Earnings End of Year</i>	12,934,379	554,179	13,488,558
<i>Contributed Capital Beginning and End of Year</i>	<u>3,972,770</u>	<u>0</u>	<u>3,972,770</u>
<i>Total Fund Equity End of Year</i>	<u>\$16,907,149</u>	<u>\$554,179</u>	<u>\$17,461,328</u>

See accompanying notes to the general purpose financial statements

Holmes County, Ohio
Statement of Activities and Changes
In Net Assets
Lynn Hope Industries Inc. - Discretely Presented Component Unit
For the Year Ended December 31, 2002

Operating Revenues	
Charges for Services	\$266,801
Cost of Revenues Earned	<u>35,163</u>
<i>Gross Profit</i>	<u>231,638</u>
Operating Expenses	
Wages	132,489
In-Kind services and facilities	83,516
Rent	13,154
Utilities	1,432
Vehicle Expense	4,872
Taxes	10,135
Depreciation	3,576
Insurance:	
Group	6,347
General	4,875
Industrial	84
Professional Fees	3,870
Administrative Expenses	2,423
Advertising	3,486
Supplies	1,184
Miscellaneous	2,494
Contributions	50
Travel	593
Repairs - Equipment	2,110
Postage and Office Supplies	604
Employee Welfare	820
Licenses	238
Bank Service Charge	43
Training	<u>180</u>
<i>Total Operating Expenses</i>	<u>278,575</u>
<i>Loss from Operations</i>	<u>(46,937)</u>
Other Income (Expense)	
Interest Expense	(13,403)
In-Kind Services and Facilities	83,516
Interest Earned	<u>808</u>
<i>Total Other Income (Expenses)</i>	<u>70,921</u>
<i>Increase in Net Assets</i>	23,984
<i>Net Assets, Beginning of Year</i>	<u>(171,070)</u>
<i>Net Assets, End of Year</i>	<u><u>(\$147,086)</u></u>
See accompanying notes to the general purpose financial statements	

Holmes County, Ohio
*Combined Statement of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP) and Actual
Proprietary Fund Type - Primary Government
For the Year Ended December 31, 2002*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$467,104	\$389,146	(\$77,958)
Proceeds of OPWC Loan	0	58,226	58,226
Other	2,000	9,305	7,305
<i>Total Revenues</i>	<u>469,104</u>	<u>456,677</u>	<u>(12,427)</u>
Expenses			
Personal Services	219,806	202,942	16,864
Materials and Supplies	16,863	13,241	3,622
Contractual Services	617,947	562,910	55,037
Capital Outlay	38,670	4,426	34,244
Other	3,300	2,832	468
<i>Total Expenses</i>	<u>896,586</u>	<u>786,351</u>	<u>110,235</u>
<i>Excess of Revenues Under Expenses</i>	(427,482)	(329,674)	97,808
Advances In	123,000	123,000	0
Operating Transfers In	109,800	88,731	(21,069)
<i>Excess of Revenues Under Expenses, Transfers and Advances</i>	(194,682)	(117,943)	76,739
<i>Fund Equity Beginning of Year</i>	<u>238,025</u>	<u>238,025</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$43,343</u></u>	<u><u>\$120,082</u></u>	<u><u>\$76,739</u></u>

See accompanying notes to the general purpose financial statements

Holmes County, Ohio
Combined Statement of Cash Flows
Proprietary Fund Type
and Discretely Presented Component Unit
For the Year Ended December 31, 2002

	Enterprise	Holmes County Airport Authority	Totals (Memorandum Only) Reporting Entity
INCREASES (DECREASES) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities			
Cash Received from Customers	\$22,325,455	\$25,539	\$22,350,994
Cash Received from Rentals	0	33,489	33,489
Other Cash Receipts	731,830	0	731,830
Non-Operating Revenues	0	11,809	11,809
Cash Paid to Suppliers for Goods and Services	(8,974,637)	(87,158)	(9,061,795)
Cash Payments For Employees	(9,547,124)	0	(9,547,124)
Other Cash Payments	(2,382)	0	(2,382)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>4,533,142</u>	<u>(16,321)</u>	<u>4,516,821</u>
Noncapital Financing Activities			
Operating Grants	0	7,096	7,096
Advances Out	(98,000)	0	(98,000)
Operating Transfers In	88,731	21,000	109,731
Advances In	123,000	0	123,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>113,731</u>	<u>28,096</u>	<u>141,827</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Fixed Assets	(665,892)	0	(665,892)
Sale of Fixed Assets	2,581	0	2,581
Proceeds of OPWC Loan	58,226	0	58,226
Principal Payments - OPWC Loans	(7,307)	0	(7,307)
Principal Payments - Capital Leases	(134,113)	0	(134,113)
Principal Payments - Revenue Bonds	(30,000)	0	(30,000)
Placed in trust for capital related debts	(515,915)	0	(515,915)
Interest Payments - Capital Leases	(7,685)	0	(7,685)
Interest Payments - Revenue Bonds	(263,238)	0	(263,238)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,563,343)</u>	<u>0</u>	<u>(1,563,343)</u>
Cash Flows from Investing Activities			
Repayments from Notes Receivable	10,619	0	10,619
Interest on Investments	126,579	8,486	135,065
Sale of Investments	(1,599,615)	0	(1,599,615)
<i>Net Cash Provided by Investing Activities</i>	<u>(1,462,417)</u>	<u>8,486</u>	<u>(1,453,931)</u>
Net Increase in Cash and Cash Equivalents	1,621,113	20,261	1,641,374
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,034,095</u>	<u>243,029</u>	<u>3,277,124</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$4,655,208</u>	<u>\$263,290</u>	<u>\$4,918,498</u>
Cash and Cash Equivalents Include the Following:			
Cash and Cash Equivalents	\$2,523,498	\$263,290	\$2,786,788
Assets Limited as to Use - Cash and Cash Equivalents			
Designated for Future Capital Improvements	2,088,440	0	2,088,440
Assets Limited as to Use - Funds Available for Future Construction and Equipment	43,270	0	43,270
	<u>\$4,655,208</u>	<u>\$263,290</u>	<u>\$4,918,498</u>

(continued)

Holmes County, Ohio
Combined Statement of Cash Flows
Proprietary Fund Type (continued)
and Discretely Presented Component Unit
For the Year Ended December 31, 2002

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	<u>Enterprise</u>	<u>Holmes County Airport</u>	<u>Totals (Memorandum Only) Reporting Entity</u>
Operating Income (Loss)	\$904,039	(\$41,515)	\$862,524
Adjustments:			
Depreciation Expense	1,376,796	14,364	1,391,160
Bad Debt Expense	821,634	0	821,634
Loss on Sale of Capital Asset	(2,100)	0	(2,100)
Nonoperating Revenues	0	11,809	11,809
(Increases) Decreases in Assets:			
Accounts Receivable	(125,096)	301	(124,795)
Intergovernmental Receivable	0	(2,608)	(2,608)
Materials and Supplies Inventory	(27,826)	0	(27,826)
Prepaid Items	55,273	0	55,273
Other Receivables	(14,555)	0	(14,555)
Increases (Decreases) in Liabilities:			
Accounts Payable	48,861	(580)	48,281
Contracts Payable	20,772	0	20,772
Accrued Wages	437,690	0	437,690
Compensated Absences Payable	6,377	0	6,377
Intergovernmental Payable	(563)	0	(563)
Closure and Postclosure Care Payable	1,140,028	0	1,140,028
Third-Party Settlements	(108,188)	0	(108,188)
Change in Deferred Revenue	0	1,908	1,908
	<u>\$4,533,142</u>	<u>(\$16,321)</u>	<u>\$4,516,821</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$4,533,142</u>	<u>(\$16,321)</u>	<u>\$4,516,821</u>

See accompanying notes to the general purpose financial statements

Holmes County, Ohio
Statement of Cash Flows
Lynn Hope Industries, Inc. - Discretely Presented Component Unit
For the Year Ended December 31, 2002

Cash Flows from Operating Activities	
Cash Received from Customers	\$286,842
Cash Paid to Suppliers and Employees	(226,282)
Interest Received	808
Interest Paid	<u>(13,403)</u>
<i>Net Cash Provided by Operating Activities</i>	47,965
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(19,773)
Cash Flows from Financing Activities	
Payment of Long-Term Debt	<u>(18,562)</u>
Net Increase in Cash and Cash Equivalents	9,630
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>51,432</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$61,062</u></u>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities	
Increase in Net Assets	\$23,984
Adjustments:	
Depreciation	3,576
Decreases in Assets:	
Accounts Receivable	20,041
Increases (Decreases) in Liabilities:	
Accounts Payable	(952)
Accrued Liabilities	<u>1,316</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$47,965</u></u>

See accompanying notes to the general purpose financial statements

Holmes County, Ohio
Combining Balance Sheet
All Component Units
December 31, 2002

	Holmes County Regional Planning Commission	Holmes County Airport Authority	Lynn Hope Industries, Inc.	Totals
Assets				
Equity in Pooled Cash and Cash Equivalents	\$184,709	\$0	\$0	\$184,709
Cash and Cash Equivalents in Segregated Accounts	0	263,290	61,062	324,352
Accounts Receivable	400	648	15,508	16,556
Prepaid Items	131	156	0	287
Intergovernmental Receivable	0	2,608	0	2,608
Other Assets	0	0	6,166	6,166
Fixed Assets (net of accumulated depreciation)	0	313,838	43,639	357,477
<i>Total Assets</i>	<u>\$185,240</u>	<u>\$580,540</u>	<u>\$126,375</u>	<u>\$892,155</u>
Liabilities				
Accounts Payable	\$0	\$1,553	\$1,973	\$3,526
Accrued Wages	5,806	0	2,118	7,924
Compensated Absences Payable	95	0	0	95
Intergovernmental Payable	5,460	400	0	5,860
Deferred Revenue	0	24,408	0	24,408
Notes Payable	0	0	269,370	269,370
<i>Total Liabilities</i>	<u>11,361</u>	<u>26,361</u>	<u>273,461</u>	<u>311,183</u>
Fund Equity and Net Assets				
Retained Earnings:				
Unreserved	0	554,179	0	554,179
Net Assets (Deficit):				
Unrestricted	0	0	(147,086)	(147,086)
Fund Balance:				
Unreserved, Undesignated	173,879	0	0	173,879
<i>Total Fund Equity and Net Assets</i>	<u>173,879</u>	<u>554,179</u>	<u>(147,086)</u>	<u>580,972</u>
<i>Total Liabilities, Fund Equity and Net Assets</i>	<u>\$185,240</u>	<u>\$580,540</u>	<u>\$126,375</u>	<u>\$892,155</u>

See accompanying notes to the general purpose financial statements

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 1 – Description of Holmes County and Reporting Entity

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.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For Holmes County, this includes the Children's Services Board, the Board of Mental Retardation and Developmental Disabilities, the Department of Job and Family Services, the Joel Pomerene Hospital (Hospital), the Rails to Trails Coalition Agency, and all other departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt or the levying of taxes.

Discretely Presented Component Units The component unit column in the combined financial statements identifies the financial data of the County's component units, Holmes County Regional Planning Commission, Holmes County Airport Authority and Lynn Hope Industries (Workshop). They are reported separately to emphasize that they are legally separate from the County.

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 of Holmes County, County Administration Building, Millersburg, Ohio 44654.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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 Developmental Disabilities, 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.

The County is associated with certain organizations which are defined as Joint Ventures, Jointly Governed Organizations, Related Organizations and Public Entity Risk Pools. These organizations are presented in Note 24, Note 25, Note 26 and Note 27 to the general purpose financial statements. These organizations are:

- Holmes County Emergency Management Agency
- Alcohol, Drug Addiction and Mental Health Services Board of Wayne and Holmes Counties
- Multi-County Juvenile Attention Center
- Stark Regional Community Corrections Center
- Holmes County Family First Council
- Holmes County Public Library
- Holmes County Park District
- Wayne Holmes Physician Hospital Organization
- County Risk Sharing Authority Inc.
- County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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, Soil and Water Conservation and Local Emergency Planning.

Information in the following notes to the general purpose financial statements is applicable to the primary government. Information relative to the component units is identified in Notes 30, 31 and 32.

Note 2 - Summary of Significant Accounting Policies

The financial statements of Holmes County 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 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 proprietary activities provided they do not conflict with or contradict GASB pronouncements.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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

A. Basis of Presentation - Fund Accounting

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specified activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental, proprietary, fiduciary and account groups.

Governmental Fund Types Governmental funds are those through which most governmental functions are typically financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the County's governmental fund types:

General Fund The General Fund is the operating fund of the County and is used to account 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 Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes.

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.

Capital Projects Funds 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 and trust funds).

Proprietary Fund Types Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. The following are the County's proprietary fund types:

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Enterprise Funds Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Fund Types Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The County utilizes one fiduciary fund type:

Agency Funds These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group The General Fixed Assets Account Group is used to account for all fixed assets of the County, other than those accounted for in the proprietary funds or trust funds.

General Long-Term Obligations Account Group The General Long-Term Obligations Account Group is used to account for all long-term obligations of the County, except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund types 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 this fund are included on the combined balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

Revenue Recognition Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty-one days of year-end.

Nonexchange transactions, in which the County receives value without directly giving equal in return, include sales taxes, property taxes, grants entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6) Revenue from grants, entitlements and donations is recognized in the 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 non-exchange 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 taxes, interest, state-levied locally shared taxes (including gasoline tax), fines and forfeitures and income tax withheld by employers.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized when 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 the governmental funds.

C. Budgetary Process

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.

Budgetary information for the Rails-to-Trails capital projects fund, Hospital enterprise fund, Lynn Hope Industries Inc., County 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, and does not itself maintain budgetary financial records. On the budget basis, debt

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

service requirements for the Hospital's revenue bonds are budgeted and are reported in the debt service fund. The primary level of budgetary control is at the object level within each department and fund.

Tax Budget A budget of estimated revenue and expenditures 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.

Estimated Resources The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. 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. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

Appropriations A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of 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 fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among departments and objects within a fund may be modified during the year only by a resolution of the Commissioners. During the year, several supplemental appropriation resolutions were legally enacted by the County commissioners. The amounts of the increases were not significant. The budget figures which appear in the statement of budgetary comparisons represent the final appropriations amounts including all amendments and modifications.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits encumbrances plus expenditures from exceeding appropriations at the fund, department and object level.

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

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

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

D. Cash and Cash Equivalents

To improve cash management, cash received by the County is pooled in various bank accounts. Monies for all funds, including proprietary funds, are maintained in these accounts. 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 combined balance sheet.

The general fund made an advance to the ODNR Grant special revenue fund to eliminate the fund's negative cash balance.

During 2002, investments were limited to certificates of deposit, mutual funds, common stock, and STAROhio. The nonnegotiable certificates of deposit are nonparticipating investment contracts which are reported at cost. The investments in mutual funds and common stock are reported at fair value. The common stock, with a cost of \$47,837 and fair value of \$291,131 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 2002. For the money market mutual fund, fair value is determined by the fund's share price at December 31, 2002.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General fund during 2002 amounted to \$375,746, which includes \$335,042 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented in the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" since they are not required to be deposited into the County treasury.

For purposes of the Combined Statement of Cash Flows and for presentation of the Combined Balance Sheet, 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 and are not purchased from the pool, are reported as investments.

E. 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 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 2002, approximately 31 percent of the Hospital's total patient revenue was derived from Medicare payments while 9 percent was derived from Medicaid payments. Additionally, approximately 19 percent of the Hospital's total patient revenue was derived

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

from individual self-payments in 2002. The remaining revenue was derived from commercial insurance payments.

F. Materials and Supplies Inventory

Inventories, other than the Hospital enterprise fund, are stated at cost being determined on a first-in, first-out basis and are expended/expensed when used. Inventories of the Hospital are stated at the lower of cost or market value determined by the first-in, first-out method and are expensed when used.

G. Prepaid Items

Payments made to vendors for services that will benefit the period beyond December 31, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. 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 1996 and Medicaid through 1994.

I. Interfund Receivables/Payables

Short-term Interfund loans are classified as "Interfund receivables/payables." Receivables and payables resulting from transactions between individual funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the combined balance sheet. Long-term interfund loans are classified as "Advances from Other Funds" or "Advances to Other Funds."

J. 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.

K. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated. Donated fixed assets are valued at their estimated fair market value on the date received. The County has established a capitalization threshold for fixed assets at \$500. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost in the general fixed assets account group.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the County.

Property, plant, and equipment reflected in the enterprise funds 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>Enterprise</u>
Land Improvements	10 - 20 years
Buildings and Improvements	5 - 40 years
Equipment	5 - 20 years
Vehicles	10 years
Sewer Lines	40 years

The County's policy is to capitalize net interest on proprietary fund 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 and the interest earned from temporary investment of debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2002, interest costs incurred on construction projects in the proprietary funds were not material.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the County's termination policy. The County records a liability for accumulated unused sick leave for employees after 13 years of current service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

M. Contributed Capital

Prior to 2001, contributed capital represented resources from other funds, other governments, and private sources provided to enterprise funds that is not subject to repayment. Because the County had not prepared financial statements in accordance with Generally Accepted Accounting Principles prior to 1992, the exact amount of contributed capital pertaining to prior years cannot be determined.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements.

Capital contributions received after 2001 from other governments and private sources have been recorded as revenues and are reported as retained earnings. Contributions from other funds are still recorded as contributed capital.

N. Reserves of Fund Equity and Designations

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for expenditure. Designations represent tentative plans for future use of financial resources.

Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and advances. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. These amounts are presented as reserved for unclaimed monies. The employee expended special revenue fund has been designated for the payment of accrued compensated absences.

O. Accrued and Long-Term Liabilities

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year end are considered not to have been made with current available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio Law, a debt retirement fund may be created and used for the payment of all bond anticipation notes. Generally Accepted Accounting Principles requires the reporting of the liability in the fund that received the proceeds. To comply with GAAP reporting requirements, the County's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues, and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

Nonrecurring and nonroutine permanent transfers of equity are reported as residual equity transfers. All other Interfund transactions are reported as operating transfers.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Q. 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.

R. Estimates

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

S. Totals Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that a component unit is included, two total columns are presented. The first is captioned "Totals (Memorandum Only) Primary Government" to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned "Totals (Memorandum Only) Reporting Entity" and includes the activity and operations of the County's legally separate discretely presented component unit. (See Note 1) The totals columns on statements which do not include a component unit have no additional caption.

Note 3 - 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, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses, and Changes in Fund Equity, Budget (Non-GAAP Basis) and Actual, Proprietary Fund Type - Primary Government are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Outstanding year end encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosure for the proprietary fund types (GAAP).

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).
5. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
6. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
7. The Rails-to-Trails capital projects fund and Joel Pomerene Hospital enterprise fund are not included on the budgetary operating statement, but are included on the GAAP basis operating statements.

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$391,046	(\$104,516)	(\$63,546)	(\$173,183)
Revenue Accruals	(118,145)	(54,922)	284	(54,118)
Revenue for Debt Service	0	0	1,137,353	0
Enterprise Debt Service Fund:				
Debt Service Principal Retirement	0	0	(553,222)	0
Advances Out	0	(123,000)	0	0
Advances In	0	98,000	0	0
Interest and Fiscal Charges	0	0	(261,923)	0
Unrecorded Cash	(34,557)	127,210	(1,719)	(715)
Expenditure Accruals	110,679	190,244	(6,838)	31,356
Encumbrances	(115,438)	(143,360)	(3,544)	(1,999)
Budget Basis	<u>\$233,585</u>	<u>(\$10,344)</u>	<u>\$246,845</u>	<u>(\$198,659)</u>

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Net Income Excess of Revenues
Over Expenses and Advances
Proprietary Fund Type

	Enterprise
GAAP Basis	\$904,915
Revenue Accruals	22,440
Revenue for Debt Service	(516,650)
Advances In	123,000
Expense Accruals	1,235,026
Capital Outlay	(4,426)
Depreciation Expense	194,192
Non-Budgeted Fund	(2,075,063)
Encumbrances	(1,377)
Budget Basis	(\$117,943)

Note 4 - Accountability and Compliance

A. Accountability

The following funds had a deficit fund balance/retained earnings as of December 31, 2002:

	Deficit Fund Balance/ Retained Earnings
Special Revenue Funds:	
ONDR Grant	\$2,607
Federal Cops Universal Grant	55
Capital Projects Fund:	
Rails-to-Trails	107,852
Enterprise Funds:	
Sewer District	1,296,900
County Disposal	2,991,591

The deficits in the special revenue funds resulted from the application of generally accepted accounting principles. The general fund is liable for any deficit in these funds and provides transfers when cash is needed not when accruals occur. The Rails-to-Trails capital projects fund deficit arose from the requirement to report loan liabilities in the fund which received the loan proceeds. The deficit will be alleviated when the loan is repaid.

The Sewer District and County Disposal enterprise funds had deficit retained earnings of \$1,296,900 and \$2,991,591 respectively, at December 31, 2002. Management is currently analyzing their operations to determine appropriate steps to alleviate the deficits.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

B. Legal Compliance

Contrary to Section 5705.10, Ohio Revised Code, the ODNR Grant special revenue fund had a negative cash fund balance as of December 31, 2002, indicating that revenue from other funds were used to pay obligations of this fund.

Note 5 – Deposits and Investments

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) of this section or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and,
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten 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 two years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Undeposited Cash At year-end the County had \$97,807 in undeposited cash which is included on the combined balance sheet as part of "equity in pooled cash and cash equivalents."

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

Deposits At year end the carrying amount of the County's deposits was \$21,503,472 and the bank balance was \$22,181,994. Of the bank balance:

1. \$1,803,973 was covered by federal depository insurance; and
2. \$20,378,021 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the County held to a successful claim by the FDIC.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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

	Category 1	Fair Value
Hospital Enterprise Fund		
Common Stock	\$291,131	\$291,131
Mutual Fund		7,560
STAROhio		108,789
Total Investments	\$291,131	\$407,480

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	\$2,088,440
Certificates of deposit	2,919,853
Investments in common stock and mutual funds	298,691
Interest receivable	2,880
	5,309,864
Funds available for future construction - cash and cash equivalents	43,270
Held in connection with debt service	268,032
Total assets limited as to use	\$5,621,166
Assets limited as to use - current portion	\$110,770
Assets limited as to use - long term portion	5,510,396
Total assets limited as to use	\$5,621,166

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

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

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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

	Cash and Cash Equivalents	Investments	Assets Limited as to Use
Combined Balance Sheet	\$16,363,473	\$25,000	\$5,621,166
Certificates of Deposit with original maturity greater than three months	25,000	(25,000)	0
Amounts in connection with debt service	268,032	0	(268,032)
Cash and Cash Equivalents	5,053,563	0	(5,053,563)
Investments	0	298,691	(298,691)
STAROhio	(108,789)	108,789	0
Interest Receivable	0	0	(880)
Undeposited Cash	(97,807)	0	0
GASB Statement No. 3	\$21,503,472	\$407,480	\$0

Note 6 – Receivables

Receivables at December 31, 2002, consisted of taxes, accounts (billings for user charged services), accrued interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full except for the Joel Pomerene Hospital enterprise fund. (See Notes 7 and 8)

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2002 for real and public utility property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

The full tax rate for all County operations for the year ended December 31, 2002, was \$12.55 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

	<u>Assessed Value</u>
Real Estate	\$508,176,530
Public Utility Property	26,123,690
Tangible Personal	<u>97,525,080</u>
Total Property Taxes	<u><u>\$631,825,300</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County treasurer collects property taxes on behalf of all taxing districts in 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.

Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable claim. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2003 operations. The receivable is offset by deferred revenue.

B. 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 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. Each month, the sales tax revenue is allocated to three funds. The Debt Service fund receives \$35,000, the Capital Improvements fund receives \$12,000 and the remainder is allocated to the General fund. Sales tax revenue for 2002 amounted to \$3,894,274.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

C. Intergovernmental

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General	
Homestead and Rollback	\$95,584
Local Government	282,216
Revenue Assistance	114,972
MVL Permissive	465
<i>Total General Fund</i>	493,237
Special Revenue Funds	
Dog and Kennel	\$100
MRDD	\$143,239
Public Assistance	307,716
Motor Vehicle License and Gas Tax	1,011,483
Youth Services	6,464
ODNR Grant	8,841
Children's Services	65,299
Transportation Coordination Service	55,181
Community Housing Improvement	51,440
<i>Total Special Revenue Funds</i>	1,649,763
Agency Funds	
County Public Library	98,204
Travel and Tourism	31,303
Gasoline and License Tax	365,152
Undivided Inheritance Tax	57,099
Undivided Municipal Permissive	1,518
Undivided Local Government Revenue	188,146
Undivided Local Government	76,646
<i>Total Agency Funds</i>	818,068
<i>Totals</i>	\$2,961,068

Note 7 - Net Charges 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:

	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Charges for Services Total
Gross Charges for Service Revenue	\$10,022	\$464,254	\$3,122	\$32,993,233	\$33,470,631
Revenue Deductions:					
Provision for Contractual Allowances	0	0	0	(10,398,213)	(10,398,213)
Provision for Prompt Payment Discounts	0	0	0	(544,455)	(544,455)
Net Charges for Services Revenue	\$10,022	\$464,254	\$3,122	\$22,050,565	\$22,527,963

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 8 - Accounts Receivable

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

	Receivable	Contractual Adjustments	Uncollectible Adjustments	Receivable
East Holmes Water	\$1,026	\$0	\$0	\$1,026
Sewer District	6,711	0	0	6,711
County Disposal	3,122	0	0	3,122
Joel Pomerene Hospital	5,976,744	(1,323,600)	(900,000)	3,753,144
Total Enterprise Funds	\$5,987,603	(\$1,323,600)	(\$900,000)	\$3,764,003

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at December 31, 2002, follows:

	Primary Government
Land and Land Improvements	\$1,195,359
Buildings and Improvements	14,507,612
Land and Buildings	10,226,522
Equipment and Machinery	103,008
Sewer/Water Lines	3,735,015
Construction in Progress	55,311
Total	29,822,827
Less: Accumulated Depreciation	(14,642,547)
Net Fixed Assets	\$15,180,280

A summary of the changes in general fixed assets during 2002 follows:

	Balance 1/1/02	Additions	Deletions	Balance 12/31/02
Land	\$1,226,928	\$0	\$0	\$1,226,928
Buildings and Improvements	17,081,401	880,892	0	17,962,293
Equipment and Machinery	2,724,156	227,956	14,582	2,937,530
Furniture and Fixtures	868,800	23,019	0	891,819
Vehicles	2,704,722	281,832	125,027	2,861,527
Construction in Progress	64,290	671,679	735,969	0
Total	\$24,670,297	\$2,085,378	\$875,578	\$25,880,097

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 10 - Interfund Transactions

Interfund balances at December 31, 2002, consisted of the following individual fund billings:

	Interfund Receivable	Interfund Payable
General Fund	\$467	\$0
Special Revenue Funds:		
Cops More Grant	0	467
Total All Funds	\$467	\$467
	Due From Other Funds	Due to Other Funds
General Fund	\$18,308	\$1,693
Special Revenue Funds:		
Mental Retardation	0	2,238
Public Assistance	1,165	9,578
Child Support Enforcement	0	8,730
County Home	0	3,497
Recycling and Litter	6,263	0
Total - Special Revenue Funds	\$7,428	24,043
Total All Funds	\$25,736	\$25,736

The wastewater rotary loan special revenue fund had advances to other funds in the amount of \$163,050, and the sewer district enterprise fund had advances from other funds in the same amount.

Note 11 - 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 2002, the County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible.

Coverage provided by CORSA are as follows:

General Liability (per occurrence)	\$6,000,000
Stop Loss (aggregate excess)	1,000,000
Automobile Liability	6,000,000
Uninsured Motorists Liability	250,000
Law Enforcement Liability (per occurrence)	6,000,000
Public Officials Liability (per occurrence)	1,000,000
- Annual Aggregate	1,000,000

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Crime Coverage	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (Inside and Outside)	1,000,000 Each
Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Building and Contents	Replacement Cost
Other Property Insurance:	
Valuable Papers	1,000,000
Extra Expense	1,000,000
Electronic Data Processing	Replacement Cost
Contractors Equipment	1,000,000
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

With the exceptions 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 2002, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 27) 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 which accrued to the Plan through its formation. This savings is then compared to the overall 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 representative of the Plan to access loss experience for three years following the last year of participation.

The Hospital was self-insured, subject to certain stop-loss coverage, for its employees' health benefits prior to June 2002. As of June 2002, the Hospital is no longer self-insured. The Hospital now pays a monthly premium for their employees' health insurance.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 12 - Leases

A. Capital Leases – Lessee Disclosure

The Hospital has entered in various non-cancelable lease agreements for equipment. These capital leases are due in monthly installments including interest at a rate of 5.2 percent. They expire at various times through 2003 and are collateralized by the equipment leased.

The other enterprise funds have 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." Fixed 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 \$671,640, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation through December 31, 2002 amounted to \$532,342 leaving a book value of \$139,298. Such agreements provide for minimum, annual lease payments as follows:

Year	Hospital	Other Enterprise Funds	Totals
2003	\$44,108	\$15,404	\$59,512
2004	0	15,404	15,404
2005	0	15,404	15,404
2006	0	15,404	15,404
2007	0	15,404	15,404
Total Minimum Lease Payments	44,108	77,020	121,128
Less: Amounts Representing Interest	479	10,404	10,883
Present Value of Minimum Lease Payments	<u>\$43,629</u>	<u>\$66,616</u>	<u>\$110,245</u>

B. Operating Leases

The Hospital has entered into various operating lease agreements for equipment which expire at various times through 2003. Equipment operating lease expense totaled \$156,467 in 2002 and \$125,652 in 2001.

Effective March 1, 1999, the Hospital signed a six year lease agreement for office space from Aultman Health Foundation. The lease is set to expire March 1, 2005. Office lease expense totaled \$208,163 in 2002.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 13 - Long-Term Obligations

The changes in the County's long-term obligations during the year consist of the following:

	Original Amount	Outstanding 1/1/02	Additions	Reductions	Outstanding 12/31/02
Enterprise Fund Obligations:					
Capital Leases - Equipment		\$244,358	\$0	\$134,113	\$110,245
OPWC Loans Payable 0.0%		76,068	58,226	7,307	126,987
Landfill Postclosure Liability		2,276,893	1,140,028	0	3,416,921
1991 Hospital Revenue Bonds 5.875%	\$2,200,000	1,827,000	0	515,915	1,311,085
1997 Sewer Bonds 5.0%	2,977,000	2,871,000	0	30,000	2,841,000
Total Enterprise Fund Obligations		<u>7,295,319</u>	<u>1,198,254</u>	<u>687,335</u>	<u>7,806,238</u>
General Long-Term Obligations:					
General Obligation Bonds					
1994 Jail Bond 5.25%	2,700,000	2,381,000	0	56,000	2,325,000
1995 Various Purpose Bond 3.9-5.8%	1,975,000	1,590,000	0	75,000	1,515,000
1998 Capital Facilities Bond 4.25%	2,400,000	1,905,000	0	140,000	1,765,000
Total General Obligation Bonds		<u>5,876,000</u>	<u>0</u>	<u>271,000</u>	<u>5,605,000</u>
Compensated Absences		824,786	21,516	0	846,302
Intergovernmental Payable		478,479	485,918	478,479	485,918
Total General Long-Term Obligations		<u>7,179,265</u>	<u>507,434</u>	<u>749,479</u>	<u>6,937,220</u>
Total Long-Term Obligations		<u>\$14,474,584</u>	<u>\$1,705,688</u>	<u>\$1,436,814</u>	<u>\$14,743,458</u>

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

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 (\$1,033,266) and with sales taxes.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid.

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 should not 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 should not 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 not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The effects of the debt limitations described above at December 31, 2002, are an overall debt margin of \$12,152,391 and an unvoted debt margin of \$4,175,011.

Holmes County, Ohio
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For the Year Ended December 31, 2002

The following is a summary of the County's future annual debt service requirements:

Year	General Obligation Bonds	Hospital Revenue Bonds	Sewer Revenue Bonds	OPWC Loans	Totals
2003	575,748	142,881	174,050	6,812	899,491
2004	576,661	143,061	173,450	6,812	899,984
2005	574,291	144,065	172,800	6,812	897,968
2006	539,958	142,834	174,100	6,812	863,704
2007	540,172	143,485	173,250	6,812	863,719
2008-2012	2,695,242	717,262	867,650	34,062	4,314,216
2013-2017	1,578,370	716,588	867,350	34,062	3,196,370
2018-2022	1,175,166	245,902	867,150	24,803	2,313,021
2023-2027	361,617	0	867,350	0	1,228,967
2028-2032	0	0	867,950	0	867,950
2033-2037	0	0	867,250	0	867,250
Total Principal and Interest	8,617,225	2,396,078	6,072,350	126,987	17,212,640
Less Interest	(3,012,225)	(1,084,993)	(3,231,350)	0	(7,328,568)
Total	<u>\$5,605,000</u>	<u>\$1,311,085</u>	<u>\$2,841,000</u>	<u>\$126,987</u>	<u>\$9,884,072</u>

Note 14 - Loan Payable

A summary of the loan transactions for the year ended December 31, 2002, follows:

	Original Amount	Outstanding 1/1/02	Additions	Reductions	Outstanding 12/31/02
2000 Rails-to-Trails Note 6.0%	\$245,625	\$174,586	\$0	\$0	\$174,586

The loan is backed by the full faith and credit of Holmes County and will mature in September 2003.

Note 15 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All County full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered payroll to fund pension obligations; law enforcement employees contribute 10.1 percent. For plan members, other than those engaged in law enforcement, the County was required to

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

contribute 8.55 percent of covered payroll for 2002, reduced from 9.25 percent in 2001. The County contribution for law enforcement employees for 2002 was 11.7 percent, down from 12.4 percent for 2001. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's required contributions to PERS for the years ended December 31, 2002, 2001, and 2000 were \$1,626,456, \$1,411,947 and \$967,620, respectively; 81.76 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002 is recorded as a liability in the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

Certified teachers, employed by the school for the Mental Retarded/Developmentally Disabled, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 9.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions for pension obligations to STRS for the years ended December 31, 2002, 2001, and 2000 were \$29,597, \$31,290 and \$37,456, respectively; 77 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002 is recorded as a liability in the respective fund.

Note 16 - 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. Health care coverage for disability recipients and primary survivor recipients of such retirees is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 5.0 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2002 was 16.7 percent; 5.0 percent was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually.

Holmes County, Ohio
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For the Year Ended December 31, 2002

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

The number of active participants was 402,041. The County's actual contributions for 2002 which were used to fund postemployment benefits were \$430,760. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

B. State Teachers Retirement System

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS.

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the County this amount equaled \$52,617 during 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2002 was \$3.256 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$300,772,000 and there were 102,132 eligible benefit recipients.

Note 17 - 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, 2002, the total liability for unpaid compensated absences was \$890,698.

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
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For the Year Ended December 31, 2002

Note 18 - 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 \$3,416,921 reported as landfill closure and postclosure care liability at December 31, 2002, represents the cumulative amount reported to date based on the use of 69.7 percent of the estimated capacity of the landfill. Based on current usage, the remaining useful life is estimated to be 67 years. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,485,405 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2002. 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 19 - 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 \$996,000 in 2002.

Note 20 - Advertising

The Hospital expenses advertising costs as they are incurred. Advertising expense was \$76,359 for 2002. Advertising expenses are included in the enterprise funds' operating expenses in these financial statements.

Note 21 - 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 22 - Food Stamps

The County's Department of Job and Family Services (Welfare) distributed, through contracting issuance centers, federal food stamps to entitled recipients within the County. The receipt and issuance of these stamps have the characteristics of federal "grants;" however, the Job and Family Services Department merely acts in an intermediary capacity.

Holmes County, Ohio
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Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. Food Stamps are now disbursed using an automated computer system.

The food stamp balance below is held as a precautionary measure against computer failure. Changes in the balance held by the County during 2002 were:

Balance		Balance	
<u>1/1/02</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>12/31/02</u>
\$258,518	\$691,113	\$691,113	\$258,518

Note 23 - Segment Information for Enterprise Funds

The County's enterprise funds account for the provision of water and sewer services, the disposal of refuse and hospital services. Key financial information as of and for the year ended December 31, 2002, for each activity is as follows:

	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Total Reporting Entity
Operating Revenues	\$12,772	\$889,662	\$48,453	\$22,356,337	\$23,307,224
Depreciation	0	194,192	0	1,182,604	1,376,796
Operating Income (Loss)	3,472	(52,112)	(1,147,344)	2,100,023	904,039
Net Non-Operating Revenue (Expenses)	0	(62,895)	0	(24,960)	(87,855)
Fixed Assets Additions	0	4,426	0	661,466	665,892
Net Working Capital	3,472	489,513	56,790	3,332,379	3,882,154
Total Assets	11,472	6,018,304	432,824	21,280,463	27,743,063
Long-Term Liabilities Payable					
from Revenue	0	2,990,675	3,416,921	1,258,085	7,665,681
Total Equity	3,472	2,675,870	(2,991,591)	17,219,398	16,907,149
Encumbrances	1,377	0	0	0	1,377

Note 24 - Joint Ventures

Holmes County Emergency Management Agency (Agency) The County participates in the Holmes County Emergency Management Agency which is a statutorily created political subdivision of the State. The Agency is jointly governed among Holmes County, municipalities and townships. Of the seven member board, the County appoints one. Each member's control over the operation of the Agency is limited to its representation of the board. The Agency establishes a program for emergency management that includes development of an emergency operations plan that is applicable to all political subdivisions that have entered into the county-wide agreement. Continued existence of the Agency is dependent on the County's continued participation; however, the County does not have an equity interest in the Agency. The Agency is not accumulating significant financial resources or experiencing fiscal stress which would cause an additional financial benefit to or burden on the County. In 2002, the County contributed \$35,000 which represents 58.71 percent of total contributions. Complete financial statements for the Agency can be obtained from the Emergency Management Agency, Holmes County, Ohio.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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.

Note 25 - 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 2002, the County contributed \$278,332 which represents 4.03 percent of total contributions.

Stark Regional Community Corrections Center (SRCCC) 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 2002.

Holmes County Family First Council (Council) The mission of the Council is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of 18 individuals from various organizations including 5 from the County. During 2002, the County contributed \$11,454 to the Council.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 26 - Related Organizations

Holmes County Public Library (Library) 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 2002.

Holmes County Park District (District) 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 nor 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 2002.

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.

Note 27 - Public Entity Risk Pools

County Risk Sharing Authority, Inc. (CORSA) The County Risk Sharing Authority, Inc., is a public entity risk sharing pool among thirty-nine 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 the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County's payment for insurance to CORSA in 2002 was \$163,703. Financial statements may be obtained by contacting the County Commissioners Association of Ohio, Columbus, Ohio.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (CCAOSC) 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.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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.

Note 28 - Contingent Liabilities

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, 2002.

B. Litigation

The County is a 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, 2002.

Note 29 - Related Party Transactions

During 2002, 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 \$83,516 for such contributions. Lynn Hope Industries recorded operating revenues and expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of the Workshop.

The Joel Pomerene Foundation (Foundation), which is controlled by Joel Pomerene Memorial Hospital, was established to solicit contributions from the general public and to support the Hospital. Funds are distributed to the Hospital as determined by the Foundation's board of directors. The Foundation's unrestricted net assets equaled \$38,778 at December 31, 2002.

The Northeast Ohio Health Outreach Network, which is controlled by Joel Pomerene Memorial Hospital, was established to receive federal grant monies from the U.S. Department of Housing and Urban Development (HUD). Funds are distributed to the Hospital directly from HUD as determined by the Network. The Network expended \$44,364, netting to unrestricted net assets of \$220,195 for the year ended December 31, 2002.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

Note 30 - 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. 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

The Commission follows the modified accrual basis of accounting whereby revenues are recognized in the accounting period when they become both measurable and available. The measurement focus is on current assets and current liabilities. All transactions are accounted for in a single governmental fund.

B. Deposits and Investments

The County acts as the custodian of the Commission's funds. Cash and cash equivalents of the Commission are pooled and invested by the County. Information regarding the classification of the County's deposits and investments per GASB Statement No. 3 may be found in Note 5.

Note 31 - Lynn Hope Industries, Inc. (Organization)

A. Summary of Significant Accounting Policies

Business Activity 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.

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

<u>Description</u>	<u>Useful Life</u>	<u>Method</u>
Equipment	3-10 years	straight-line
Vehicles	5 years	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, 2002 there were 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.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs of advertising are expensed as incurred. The amounts charged to advertising expense for year ended December 31, 2002 was \$3,486.

B. Non-Cash Transactions

The Organization received in-kind services and facilities for the year ended December 31, 2002 from the Holmes County Board of MR/DD. The value of the in-kind contribution was determined to be \$83,516 and is recorded on other income and operating expenses as an equivalent amount. Due to its non-cash nature, no provision has been recorded within the statement of cash flows.

C. Related Parties

Total revenues from contracts to provide services to the Holmes County Board of Mental Retardation and Developmental Disabilities were \$50,202 for the year ended December 31, 2002. The Organization had \$15 in accounts receivable from the Holmes County Board of Mental Retardation and Developmental Disabilities at December 31, 2002.

D. Leases

The company terminated a two year operating lease for a building with an unrelated third party in 2002. The company also terminated the corresponding subleasing of the building for storage to an unrelated third party. As part of the sublease agreement, the company provided services related to the goods stored at the building. Total rent expense under the terms of this agreement amounted to \$0 for the year ended December 31, 2002, as the organization cancelled the lease in January 2002, effective December 31, 2001.

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

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 \$638 for the year ended December 31, 2002.

The following is a schedule by years of future minimum lease payments under the terms of the 5-year forklift lease as of December 31, 2002:

2003	\$4,836
2004	4,836
2005	4,836
2006	403
	<u>\$14,911</u>

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

E. Long-Term Debt

Long-term debt consists 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.	\$226,339
Note payable - non-profit entity. The note is due on demand, does not accrue interest and is not collateralized.	27,000
Note payable - vendor. Monthly payments of \$943 include interest at 7.25% The final payment is due June 2004. The note is collateralized by equipment.	16,031
	269,370
Less: current portion	18,636
	\$250,734

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

2003	\$18,636
2004	14,183
2005	9,178
2006	9,744
2007	10,345
Thereafter	207,284
	\$269,370

F. Fixed Assets

A summary of fixed assets at December 31, 2002, follows:

Equipment	\$63,056
Vehicles	28,342
Subtotal	91,398
Less: Accumulated Depreciation	(47,759)
Net Fixed Assets	\$43,639

Note 32 - Holmes County Airport Authority (Authority)

The Holmes County 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 Holmes County Airport Authority is a component unit of Holmes County. Separately issued financial statements can be obtained from Holmes County Airport Authority of Holmes County.

Holmes County, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2002

A. Basis of Accounting

The 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.

Equipment and Depreciation Property, plant, and equipment reflected in the enterprise fund 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:

Description	Enterprise
Buildings and Improvements	20-50 years
Equipment	10-30 years

A summary of fixed assets at December 31, 2002, follows:

Land	\$54,357
Buildings and Improvements	402,500
Equipment	85,013
Subtotal	541,870
Less: Accumulated Depreciation	(228,032)
Net Fixed Assets	\$313,838

B. Deposits and Investments

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

Deposits At year-end, the carrying amount of the Authority's deposits and the bank balance was \$263,290. Of the bank balance, \$200,000 was covered by federal depository insurance. \$63,290 was uninsured and uncollateralized.

Financial Statements and
Schedules of Individual Funds
and Account Groups

General Fund

The General Fund is used to account for all financial resources of the County except for those required to be accounted for in another fund.

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$1,768,800	\$1,872,851	\$104,051
Sales Taxes	3,017,000	3,297,913	280,913
Charges for Services	1,325,000	1,483,006	158,006
Licenses, Permits and Fees	106,535	87,227	(19,308)
Fines and Forfeitures	98,000	96,036	(1,964)
Intergovernmental	1,113,025	1,023,383	(89,642)
Interest	400,000	379,605	(20,395)
Rentals	21,310	19,523	(1,787)
Other	408,485	432,395	23,910
<i>Total Revenues</i>	<u>8,258,155</u>	<u>8,691,939</u>	<u>433,784</u>
Expenditures			
Current:			
General Government -			
Legislative and Executive:			
Commissioners:			
Personal Services	181,104	171,375	9,729
Materials and Supplies	14,365	3,296	11,069
Contractual Services	484,770	388,675	96,095
Other	22,078	20,713	1,365
Total Commissioners	<u>702,317</u>	<u>584,059</u>	<u>118,258</u>
Auditor - General:			
Personal Services	276,018	274,305	1,713
Materials and Supplies	26,450	23,837	2,613
Contractual Services	65,936	63,418	2,518
Capital Outlay	1,517	1,473	44
Other	8,470	8,390	80
Total Auditor - General	<u>378,391</u>	<u>371,423</u>	<u>6,968</u>
Auditor - Personal Property:			
Materials and Supplies	<u>3,600</u>	<u>3,353</u>	<u>247</u>
Treasurer:			
Personal Services	91,397	91,312	85
Materials and Supplies	19,055	18,614	441
Contractual Services	9,073	9,073	0
Other	1,582	1,582	0
Total Treasurer	<u>\$121,107</u>	<u>\$120,581</u>	<u>\$526</u>

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Prosecuting Attorney:			
Personal Services	\$221,969	\$221,838	\$131
Materials and Supplies	10,000	9,823	177
Contractual Services	25,481	25,481	0
Total Prosecuting Attorney	257,450	257,142	308
Central Purchasing:			
Materials and Supplies	1,728	1,728	0
County Office Examinations:			
Contractual Services	64,000	61,853	2,147
Budget Commission:			
Materials and Supplies	250	99	151
Board of Revisions:			
Materials and Supplies	3,000	489	2,511
Recorder:			
Personal Services	88,483	88,197	286
Materials and Supplies	6,000	5,787	213
Total Recorder	94,483	93,984	499
Board of Elections:			
Personal Services	77,914	76,995	919
Materials and Supplies	16,079	16,079	0
Other	4,976	4,976	0
Total Board of Elections	98,969	98,050	919
Maintenance and Operations:			
Personal Services	147,795	144,649	3,146
Materials and Supplies	23,213	16,050	7,163
Contractual Services	378,675	357,256	21,419
Other	182,600	140,240	42,360
Capital Outlay	10,000	7,174	2,826
Total Maintenance and Operations	742,283	665,369	76,914
Tax Map:			
Personal Services	72,648	72,646	2
Materials and Supplies	4,285	4,211	74
Contractual Services	5,200	4,267	933
Capital Outlay	1,290	1,265	25
Other	707	671	36
Total Tax Map	\$84,130	\$83,060	\$1,070

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Insurance, Pensions and Taxes:			
Personal Services	\$531,881	\$522,853	\$9,028
Contractual Services	887,870	848,960	38,910
Other	168,005	42,507	125,498
Total Insurance, Pensions and Taxes	1,587,756	1,414,320	173,436
Total General Government - Legislative and Executive	4,139,464	3,755,510	383,954
General Government - Judicial			
Court of Appeals:			
Other	7,271	7,271	0
Common Pleas Court:			
Personal Services	171,357	159,652	11,705
Materials and Supplies	19,723	15,657	4,066
Capital Outlay	3,355	2,338	1,017
Other	2,000	1,925	75
Total Common Pleas Court	196,435	179,572	16,863
Adult Probation:			
Personal Services	120,824	116,878	3,946
Materials and Supplies	5,837	5,542	295
Capital Outlay	3,547	3,348	199
Total Adult Probation	130,208	125,768	4,440
Law Library:			
Personal Services	3,250	3,250	0
Juvenile Court:			
Personal Services	94,616	92,310	2,306
Materials and Supplies	5,186	4,465	721
Contractual Services	90,000	33,659	56,341
Other	11,500	11,054	446
Total Juvenile Court	201,302	141,488	59,814
Probate Court:			
Personal Services	70,003	67,452	2,551
Materials and Supplies	9,126	9,011	115
Other	1,800	1,665	135
Total Probate Court	\$80,929	\$78,128	\$2,801

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Clerk of Courts:			
Personal Services	\$172,831	\$170,525	\$2,306
Materials and Supplies	19,500	19,298	202
Contractual Services	1,516	1,226	290
Total Clerk of Courts	193,847	191,049	2,798
County Court:			
Personal Services	166,109	157,351	8,758
Materials and Supplies	17,751	17,616	135
Contractual Services	1,938	1,938	0
Total County Court	185,798	176,905	8,893
Juvenile Probation:			
Personal Services	2,463	2,393	70
Materials and Supplies	2,551	767	1,784
Other	400	0	400
Total Juvenile Probation	5,414	3,160	2,254
Common Pleas Jury Commission			
Personal Services	1,752	1,752	0
Materials and Supplies	200	200	0
Total Common Pleas Jury Commission	1,952	1,952	0
Total General Government - Judicial	1,006,406	908,543	97,863
Public Safety:			
Jail:			
Personal Services	694,974	694,754	220
Materials and Supplies	5,850	5,708	142
Contractual Services	190,403	188,388	2,015
Capital Outlay	14,590	14,112	478
Other	3,343	2,199	1,144
Total Jail	909,160	905,161	3,999
Coroner:			
Personal Services	30,785	30,670	115
Materials and Supplies	150	0	150
Other	9,329	8,144	1,185
Total Coroner	\$40,264	\$38,814	\$1,450

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sheriff:			
Personal Services	\$961,932	\$952,216	\$9,716
Materials and Supplies	79,718	78,325	1,393
Contractual Services	44,498	43,648	850
Capital Outlay	44,176	44,176	0
Other	9,177	8,924	253
Total Sheriff	<u>1,139,501</u>	<u>1,127,289</u>	<u>12,212</u>
Total Public Safety	<u>2,088,925</u>	<u>2,071,264</u>	<u>17,661</u>
Public Works:			
Highways			
Materials and Supplies	445	444	1
Contractual Services	2,945	2,945	0
Capital Outlay	322	322	0
Total Highways	<u>3,712</u>	<u>3,711</u>	<u>1</u>
Airport:			
Grant in Aid	21,000	21,000	0
Other	11,730	11,730	0
Total Airport	<u>32,730</u>	<u>32,730</u>	<u>0</u>
Total Public Works	<u>36,442</u>	<u>36,441</u>	<u>1</u>
Health:			
Tuberculosis Clinic and Care			
Contractual Services	2,500	0	2,500
Registration Vital Statistics			
Contractual Services	1,000	839	161
Other Health Department:			
Contractual Services	56,841	55,341	1,500
Total Health	<u>60,341</u>	<u>56,180</u>	<u>4,161</u>
Human Services:			
Veterans Services			
Personal Services	114,535	100,874	13,661
Materials and Supplies	21,000	11,732	9,268
Contractual Services	138,509	55,716	82,793
Capital Outlay	5,000	4,571	429
Other	11,714	2,810	8,904
Total Veterans Services	<u>\$290,758</u>	<u>\$175,703</u>	<u>\$115,055</u>

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Historical Services:			
Grants in Aid	\$7,000	\$7,000	\$0
Total Human Services	297,758	182,703	115,055
Conservation and Recreation:			
Agriculture Department			
Grant	336,037	336,037	0
Other	3,600	2,950	650
Total Conservation and Recreation	339,637	338,987	650
Intergovernmental	354,551	354,551	0
<i>Total Expenditures</i>	8,323,524	7,704,179	619,345
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	(65,369)	987,760	1,053,129
Other Financing Uses			
Operating Transfers Out	(788,716)	(754,175)	34,541
<i>Excess of Revenues Over (Under)</i> <i>Expenditures and Other Financing Uses</i>	(854,085)	233,585	1,087,670
<i>Fund Balance Beginning of Year</i>	983,969	983,969	0
Prior Year Encumbrances Appropriated	156,346	156,346	0
<i>Fund Balance End of Year</i>	\$286,230	\$1,373,900	\$1,087,670

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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 expenditure for specified purposes. Following is a description of all special revenue funds:

Dog and Kennel – To account for the dog warden’s operations, financed by the sale of dog tags and fine collections.

Mental Retardation - To account for the operation of a school and resident homes for the mentally retarded and developmentally disabled. Revenue sources include a County-wide property tax levy and Federal and State grants.

Public Assistance - To account for various Federal and State grants, as well as transfers from the general fund, used to provide public assistance to general relief recipients and pay their providers of medical assistance, and for certain public social services.

Child Support Enforcement - To account for State, Federal and Local revenues used to administer the County Bureau of Support.

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.

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

Youth Services - To account for a grant monies 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.

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

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

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.

(continued)

Special Revenue Funds (continued)

Probate Court Conduct of Business – To account for monies used for probate court business.

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

County Home - To account for room and board fees and property tax monies used for the operations of the County Home.

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

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

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

Other Special Revenue

Child Neglect and Abuse
Victim Assistance
Tax Map
Indigent Guardianship
Education and Enforcement
Special Projects
Certificate Title Administration
Federal Cops Universal
Sheriff's Overtime Block Grant
Courthouse Security Grant
Scenic Byways
Wastewater Treatment Rotary
Domestic Violence
Transportation Coordination
Youthful Impaired Driver
Cops More Grant
Local Professional Grant
CDBG Dollars
Employee Expended
Federal Equitable Sharing

Holmes County
Combining Balance Sheet
All Special Revenue Funds
December 31, 2002

	Dog and Kennel	Mental Retardation	Public Assistance	Child Support Enforcement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,203	\$1,944,215	\$260,579	\$289,034
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes (Due from Agency Funds)	0	2,898,772	0	0
Accounts	0	3,815	0	0
Accrued Interest	0	0	0	0
Due from Other Funds	0	0	1,165	0
Intergovernmental Receivable	100	143,239	307,716	0
Advances to Other Funds	0	0	0	0
Materials and Supplies	0	4,357	4,243	0
Prepaid Items	308	5,751	6,325	0
<i>Total Assets</i>	<u>\$32,611</u>	<u>\$5,000,149</u>	<u>\$580,028</u>	<u>\$289,034</u>
Liabilities				
Accounts Payable	\$0	\$59,156	\$46,027	\$990
Accrued Wages	2,815	143,057	55,482	9,953
Compensated Absences Payable	161	4,758	3,941	214
Interfund Payable	0	0	0	0
Due to Other Funds	0	2,238	9,578	8,730
Intergovernmental Payable	459	24,595	89,822	40,656
Deferred Revenue	0	3,085,101	0	0
<i>Total Liabilities</i>	<u>3,435</u>	<u>3,318,905</u>	<u>204,850</u>	<u>60,543</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	1,100	0	0	0
Reserved for Advances	0	0	0	0
Unreserved:				
Designated for Compensated Absences	0	0	0	0
Unreserved, Undesignated	28,076	1,681,244	375,178	228,491
<i>Total Fund Equity (Deficit)</i>	<u>29,176</u>	<u>1,681,244</u>	<u>375,178</u>	<u>228,491</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$32,611</u>	<u>\$5,000,149</u>	<u>\$580,028</u>	<u>\$289,034</u>

Real Estate Assessment	Delinquent Real Estate Collection	Motor Vehicle License and Gas Tax	Youth Services	Recycling and Litter	ODNR Grant
\$265,406	\$17,042	\$1,929,876	\$184,139	\$74,048	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,417	0	0	0
0	0	244	0	0	0
0	0	0	0	6,263	0
0	0	1,011,483	6,464	0	8,841
0	0	0	0	0	0
0	0	224,563	0	0	0
0	0	4,744	0	742	0
<u>\$265,406</u>	<u>\$17,042</u>	<u>\$3,173,327</u>	<u>\$190,603</u>	<u>\$81,053</u>	<u>\$8,841</u>
\$11,644	\$0	\$92,589	\$5,384	\$28,000	\$0
4,453	1,092	75,115	809	2,722	1,746
406	0	7,821	240	0	125
0	0	0	0	0	467
0	0	0	0	0	0
719	176	7,916	0	768	269
0	0	779,098	0	0	8,841
<u>17,222</u>	<u>1,268</u>	<u>962,539</u>	<u>6,433</u>	<u>31,490</u>	<u>11,448</u>
3,746	0	34,396	796	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>244,438</u>	<u>15,774</u>	<u>2,176,392</u>	<u>183,374</u>	<u>49,563</u>	<u>(2,607)</u>
<u>248,184</u>	<u>15,774</u>	<u>2,210,788</u>	<u>184,170</u>	<u>49,563</u>	<u>(2,607)</u>
<u>\$265,406</u>	<u>\$17,042</u>	<u>\$3,173,327</u>	<u>\$190,603</u>	<u>\$81,053</u>	<u>\$8,841</u>

(continued)

Holmes County, Ohio
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2002

	Children Services	Indigent Drivers Alcohol	Probate Court Conduct of Business	911
Assets				
Equity in Pooled Cash and Cash Equivalents	\$516,974	\$59,400	\$84,537	\$1,508,008
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes (Due from Agency Funds)	0	0	0	0
Accounts	0	214	330	0
Accrued Interest	0	0	0	1,572
Due from Other Funds	0	0	0	0
Intergovernmental Receivable	65,299	0	0	0
Advances to Other Funds	0	0	0	0
Materials and Supplies	0	0	0	0
Prepaid Items	0	0	0	259
<i>Total Assets</i>	<u>\$582,273</u>	<u>\$59,614</u>	<u>\$84,867</u>	<u>\$1,509,839</u>
Liabilities				
Accounts Payable	\$19,426	\$0	\$1,152	\$3,972
Accrued Wages	0	0	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Intergovernmental Payable	853	0	164	0
Deferred Revenue	44,353	0	0	0
<i>Total Liabilities</i>	<u>64,632</u>	<u>0</u>	<u>1,316</u>	<u>3,972</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	0	0	0	15,000
Reserved for Advances	0	0	0	0
Unreserved:				
Designated for Compensated Absences	0	0	0	0
Unreserved, Undesignated	517,641	59,614	83,551	1,490,867
<i>Total Fund Equity (Deficit)</i>	<u>517,641</u>	<u>59,614</u>	<u>83,551</u>	<u>1,505,867</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$582,273</u>	<u>\$59,614</u>	<u>\$84,867</u>	<u>\$1,509,839</u>

County Home	Community Housing Improvement	Jail Kitchen	Other	Totals
\$261,173	\$7,976	\$46,300	\$599,563	\$8,080,473
0	0	0	0	0
825,223	0	0	0	3,723,995
42,790	0	0	8,597	58,163
0	0	0	0	1,816
0	0	0	0	7,428
0	51,440	0	55,181	1,649,763
0	0	0	163,050	163,050
19,148	0	7,772	5,483	265,566
3,139	0	0	522	21,790
<u>\$1,151,473</u>	<u>\$59,416</u>	<u>\$54,072</u>	<u>\$832,396</u>	<u>\$13,972,044</u>
\$11,599	\$0	\$5,079	\$5,789	\$290,807
41,297	0	5,866	12,101	356,508
2,429	0	13	689	20,797
0	0	0	0	467
3,497	0	0	0	24,043
5,630	0	850	1,739	174,616
825,223	43,440	0	50,241	4,836,297
<u>889,675</u>	<u>43,440</u>	<u>11,808</u>	<u>70,559</u>	<u>5,703,535</u>
0	0	450	2,144	57,632
0	0	0	163,050	163,050
0	0	0	240,000	240,000
261,798	15,976	41,814	356,643	7,807,827
<u>261,798</u>	<u>15,976</u>	<u>42,264</u>	<u>761,837</u>	<u>8,268,509</u>
<u>\$1,151,473</u>	<u>\$59,416</u>	<u>\$54,072</u>	<u>\$832,396</u>	<u>\$13,972,044</u>

Holmes County, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2002*

	Dog and Kennel	Mental Retardation	Public Assistance	Child Support Enforcement
Revenues				
Property and Other Taxes	\$0	\$2,754,820	\$0	\$0
Sales Taxes	0	0	0	0
Charges for Services	0	61,305	0	42,090
Licenses and Permits	92,801	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	1,983,079	1,571,387	434,543
Interest	0	1,602	0	0
Rentals	0	0	0	0
Other	2,345	10,954	223,327	0
<i>Total Revenues</i>	<u>95,146</u>	<u>4,811,760</u>	<u>1,794,714</u>	<u>476,633</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	86,046	0	0	0
Human Services	0	4,550,918	2,087,514	381,627
Conservation and Recreation	0	0	0	0
<i>Total Expenditures</i>	<u>86,046</u>	<u>4,550,918</u>	<u>2,087,514</u>	<u>381,627</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,100</u>	<u>260,842</u>	<u>(292,800)</u>	<u>95,006</u>
Other Financing Sources (Uses)				
Operating Transfers In	0	19,255	269,166	89,878
Operating Transfers Out	0	(55,000)	0	(175,208)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(35,745)</u>	<u>269,166</u>	<u>(85,330)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	9,100	225,097	(23,634)	9,676
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>20,076</u>	<u>1,456,147</u>	<u>398,812</u>	<u>218,815</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$29,176</u></u>	<u><u>\$1,681,244</u></u>	<u><u>\$375,178</u></u>	<u><u>\$228,491</u></u>

Real Estate Assessment	Delinquent Real Estate Collection	Motor Vehicle License and Gas Tax	Youth Services	Recycling and Litter	ODNR Grant
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
330,981	34,057	0	0	6,998	0
0	0	0	0	0	0
0	0	39,836	0	144,335	0
0	0	3,029,472	173,652	28,000	43,813
0	0	10,315	0	0	0
0	0	0	0	0	0
302	0	42,580	153	50,301	0
<u>331,283</u>	<u>34,057</u>	<u>3,122,203</u>	<u>173,805</u>	<u>229,634</u>	<u>43,813</u>
373,446	46,594	0	0	0	0
0	0	0	0	0	0
0	0	0	156,209	0	0
0	0	2,957,844	0	222,813	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	44,579
<u>373,446</u>	<u>46,594</u>	<u>2,957,844</u>	<u>156,209</u>	<u>222,813</u>	<u>44,579</u>
<u>(42,163)</u>	<u>(12,537)</u>	<u>164,359</u>	<u>17,596</u>	<u>6,821</u>	<u>(766)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(42,163)	(12,537)	164,359	17,596	6,821	(766)
290,347	28,311	2,046,429	166,574	42,742	(1,841)
<u>\$248,184</u>	<u>\$15,774</u>	<u>\$2,210,788</u>	<u>\$184,170</u>	<u>\$49,563</u>	<u>(\$2,607)</u>

(continued)

Holmes County, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002*

	Children Services	Indigent Drivers Alcohol	Probate Court Conduct of Business	911
Revenues				
Property and Other Taxes	\$0	\$0	\$0	\$0
Sales Taxes	0	0	0	438
Charges for Services	176,449	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	5,005	6,227	0
Intergovernmental	529,620	0	81,609	0
Interest	0	0	0	51,725
Rentals	0	0	0	0
Other	13,183	1,388	0	0
<i>Total Revenues</i>	<u>719,252</u>	<u>6,393</u>	<u>87,836</u>	<u>52,163</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	56,388	0
Public Safety	0	0	0	75,369
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	1,252,446	0	0	0
Conservation and Recreation	0	0	0	0
<i>Total Expenditures</i>	<u>1,252,446</u>	<u>0</u>	<u>56,388</u>	<u>75,369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(533,194)</u>	<u>6,393</u>	<u>31,448</u>	<u>(23,206)</u>
Other Financing Sources (Uses)				
Operating Transfers In	256,479	0	0	0
Operating Transfers Out	0	0	(19,255)	0
<i>Total Other Financing Sources (Uses)</i>	<u>256,479</u>	<u>0</u>	<u>(19,255)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(276,715)</u>	<u>6,393</u>	<u>12,193</u>	<u>(23,206)</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>794,356</u>	<u>53,221</u>	<u>71,358</u>	<u>1,529,073</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$517,641</u></u>	<u><u>\$59,614</u></u>	<u><u>\$83,551</u></u>	<u><u>\$1,505,867</u></u>

County Home	Community Development	Community Housing Improvement	Jail Kitchen	Other	Totals
\$813,758	\$0	\$0	\$0	\$0	\$3,568,578
0	0	0	0	0	438
343,059	0	0	546	135,907	1,131,392
0	0	0	0	0	92,801
0	0	0	0	850	196,253
79,250	194,255	90,864	0	199,664	8,439,208
0	0	0	0	0	63,642
32,793	0	0	0	0	32,793
4,039	58,850	7,121	0	87,949	502,492
<u>1,272,899</u>	<u>253,105</u>	<u>97,985</u>	<u>546</u>	<u>424,370</u>	<u>14,027,597</u>
0	266,723	101,513	0	175,826	964,102
0	0	0	0	0	56,388
0	0	0	0	74,739	306,317
0	0	0	0	266,196	3,446,853
0	0	0	0	0	86,046
1,261,623	0	0	205,079	57,545	9,796,752
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,579</u>
<u>1,261,623</u>	<u>266,723</u>	<u>101,513</u>	<u>205,079</u>	<u>574,306</u>	<u>14,701,037</u>
<u>11,276</u>	<u>(13,618)</u>	<u>(3,528)</u>	<u>(204,533)</u>	<u>(149,936)</u>	<u>(673,440)</u>
0	0	0	200,000	72,340	907,118
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(88,731)</u>	<u>(338,194)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>(16,391)</u>	<u>568,924</u>
11,276	(13,618)	(3,528)	(4,533)	(166,327)	(104,516)
<u>250,522</u>	<u>13,618</u>	<u>19,504</u>	<u>46,797</u>	<u>928,164</u>	<u>8,373,025</u>
<u>\$261,798</u>	<u>\$0</u>	<u>\$15,976</u>	<u>\$42,264</u>	<u>\$761,837</u>	<u>\$8,268,509</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Dog and Kennel Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Licenses and Permits	\$87,700	\$95,252	\$7,552
Other	2,500	2,345	(155)
<i>Total Revenues</i>	<u>90,200</u>	<u>97,597</u>	<u>7,397</u>
Expenditures			
Current:			
Health			
Dog and Kennel			
Personal Services	84,126	75,961	8,165
Materials and Supplies	4,631	3,224	1,407
Other	10,591	7,969	2,622
<i>Total Expenditures</i>	<u>99,348</u>	<u>87,154</u>	<u>12,194</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	(9,148)	10,443	19,591
<i>Fund Balance Beginning of Year</i>	18,717	18,717	0
Prior Year Encumbrances Appropriated	<u>1,181</u>	<u>1,181</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,750</u></u>	<u><u>\$30,341</u></u>	<u><u>\$19,591</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$2,754,327	\$2,754,820	\$493
Charges for Services	32,637	58,044	25,407
Intergovernmental	2,028,247	2,016,019	(12,228)
Interest	3,000	1,612	(1,388)
Other	500	10,400	9,900
<i>Total Revenues</i>	<u>4,818,711</u>	<u>4,840,895</u>	<u>22,184</u>
Expenditures			
Current:			
Human Services			
Mental Retardation			
Personal Services	3,136,920	3,087,028	49,892
Materials and Supplies	229,144	180,351	48,793
Contractual Services	1,431,407	1,084,281	347,126
Capital Outlay	195,154	160,866	34,288
Other	40,728	35,475	5,253
<i>Total Expenditures</i>	<u>5,033,353</u>	<u>4,548,001</u>	<u>485,352</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(214,642)</u>	<u>292,894</u>	<u>507,536</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	19,255	19,255
Operating Transfers Out	(324,459)	(55,000)	269,459
<i>Total Other Financing Sources (Uses)</i>	<u>(324,459)</u>	<u>(35,745)</u>	<u>288,714</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(539,101)	257,149	796,250
<i>Fund Balance Beginning of Year</i>	<u>1,685,964</u>	<u>1,685,964</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,146,863</u></u>	<u><u>\$1,943,113</u></u>	<u><u>\$796,250</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$2,987,530	\$1,468,264	(\$1,519,266)
Other	277,500	223,327	(54,173)
<i>Total Revenues</i>	<u>3,265,030</u>	<u>1,691,591</u>	<u>(1,573,439)</u>
Expenditures			
Current:			
Human Services			
Public Assistance			
Personal Services	902,042	620,580	281,462
Materials and Supplies	70,000	45,630	24,370
Contractual Services	832,000	690,575	141,425
Capital Outlay	70,000	28,547	41,453
Other	1,742,337	675,651	1,066,686
<i>Total Expenditures</i>	<u>3,616,379</u>	<u>2,060,983</u>	<u>1,555,396</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(351,349)</u>	<u>(369,392)</u>	<u>(18,043)</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	269,166	269,166
Operating Transfers Out	(3,000)	0	3,000
<i>Total Other Financing Sources(Uses)</i>	<u>(3,000)</u>	<u>269,166</u>	<u>272,166</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(354,349)</u>	<u>(100,226)</u>	<u>254,123</u>
<i>Fund Balance Beginning of Year</i>	<u>360,805</u>	<u>360,805</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,456</u></u>	<u><u>\$260,579</u></u>	<u><u>\$254,123</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Child Support Enforcement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$48,500	\$42,090	(\$6,410)
Intergovernmental	354,196	434,543	80,347
<i>Total Revenues</i>	<u>402,696</u>	<u>476,633</u>	<u>73,937</u>
Expenditures			
Current:			
Human Services			
Child Support Enforcement			
Personal Services	299,694	234,083	65,611
Materials and Supplies	3,000	462	2,538
Contractual Services	126,000	101,162	24,838
Other	41,000	8,655	32,345
<i>Total Expenditures</i>	<u>469,694</u>	<u>344,362</u>	<u>125,332</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(66,998)</u>	<u>132,271</u>	<u>199,269</u>
Other Financing Sources (Uses)			
Operating Transfers In	89,878	89,878	0
Operating Transfers Out	(264,973)	(175,208)	89,765
<i>Total Other Financing Sources (Uses)</i>	<u>(175,095)</u>	<u>(85,330)</u>	<u>89,765</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(242,093)	46,941	289,034
<i>Fund Balance Beginning of Year</i>	<u>242,093</u>	<u>242,093</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$289,034</u></u>	<u><u>\$289,034</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Real Estate Assessment Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$299,600	\$330,906	\$31,306
Other	400	302	(98)
<i>Total Revenues</i>	<u>300,000</u>	<u>331,208</u>	<u>31,208</u>
Expenditures			
Current:			
General Government			
Legeslative and Executive			
Real Estate Assessment			
Personal Services	133,800	112,424	21,376
Materials and Supplies	11,373	9,351	2,022
Contractual Services	275,832	239,488	36,344
Other	20,000	18,455	1,545
<i>Total Expenditures</i>	<u>441,005</u>	<u>379,718</u>	<u>61,287</u>
<i>Excess of Revenues Under Expenditures</i>	(141,005)	(48,510)	92,495
<i>Fund Balance Beginning of Year</i>	265,512	265,512	0
Prior Year Encumbrances Appropriated	<u>32,939</u>	<u>32,939</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$157,446</u></u>	<u><u>\$249,941</u></u>	<u><u>\$92,495</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Delinquent Real Estate Collection Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	<u>\$50,000</u>	<u>\$34,057</u>	<u>(\$15,943)</u>
Expenditures			
Current:			
General Government			
Legislative and Executive			
Delinquent Real Estate Collection			
Personal Services	42,426	42,205	221
Other	<u>7,574</u>	<u>4,897</u>	<u>2,677</u>
<i>Total Expenditures</i>	<u>50,000</u>	<u>47,102</u>	<u>2,898</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(13,045)	(13,045)
<i>Fund Balance Beginning of Year</i>	<u>30,087</u>	<u>30,087</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,087</u></u>	<u><u>\$17,042</u></u>	<u><u>(\$13,045)</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle License and Gas Tax Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and Forfeitures	\$37,000	\$39,034	\$2,034
Intergovernmental	2,960,000	2,970,041	10,041
Interest	10,838	10,838	0
Other	39,162	42,580	3,418
<i>Total Revenues</i>	<u>3,047,000</u>	<u>3,062,493</u>	<u>15,493</u>
Expenditures			
Current:			
Public Works			
Motor Vehicle License			
Personal Services	694,309	405,753	288,556
Materials and Supplies	1,337,723	681,510	656,213
Contractual Services	1,811,128	1,561,898	249,230
Capital Outlay	497,673	65,546	432,127
Other	348,513	237,472	111,041
<i>Total Expenditures</i>	<u>4,689,346</u>	<u>2,952,179</u>	<u>1,737,167</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,642,346)	110,314	1,752,660
Other Financing Sources			
Operating Transfers In	10,000	0	(10,000)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(1,632,346)	110,314	1,742,660
<i>Fund Balance Beginning of Year</i>	1,598,054	1,598,054	0
Prior Year Encumbrances Appropriated	113,028	113,028	0
<i>Fund Balance End of Year</i>	<u>\$78,736</u>	<u>\$1,821,396</u>	<u>\$1,742,660</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Services Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$210,058	\$176,371	(\$33,687)
Other	150	153	3
<i>Total Revenues</i>	<u>210,208</u>	<u>176,524</u>	<u>(33,684)</u>
Expenditures			
Current:			
Public Safety			
Youth Services			
Personal Services	203,222	126,670	76,552
Materials and Supplies	350	0	350
Contractual Services	106,814	25,866	80,948
Other	8,581	4,909	3,672
<i>Total Expenditures</i>	<u>318,967</u>	<u>157,445</u>	<u>161,522</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(108,759)	19,079	127,838
<i>Fund Balance Beginning of Year</i>	163,867	163,867	0
Prior Year Encumbrances Appropriated	<u>397</u>	<u>397</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,505</u></u>	<u><u>\$183,343</u></u>	<u><u>\$127,838</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recycling and Litter Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$93,000	\$9,757	(\$83,243)
Fines and Forfeitures	125,000	149,450	24,450
Intergovernmental	14,000	28,000	14,000
Other	2,000	50,301	48,301
<i>Total Revenues</i>	<u>234,000</u>	<u>237,508</u>	<u>3,508</u>
Expenditures			
Current:			
Public Works			
Recycling and Litter Fund			
Personal Services	138,408	125,547	12,861
Materials and Supplies	51,530	43,937	7,593
Contractual Services	42,102	29,715	12,387
Other	517	517	0
<i>Total Expenditures</i>	<u>232,557</u>	<u>199,716</u>	<u>32,841</u>
<i>Excess of Revenues Over Expenditures</i>	1,443	37,792	36,349
<i>Fund Balance Beginning of Year</i>	<u>36,255</u>	<u>36,255</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$37,698</u></u>	<u><u>\$74,047</u></u>	<u><u>\$36,349</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
ODNR Grant Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$45,000	\$43,813	(\$1,187)
Expenditures			
Current:			
Conservation and Recreation			
Ohio Department of Natural Resources			
Personal Services	38,600	38,440	160
Contractual Services	6,340	6,340	0
Other	60	60	0
<i>Total Expenditures</i>	45,000	44,840	160
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(1,027)	(1,027)
<i>Fund Balance Beginning of Year</i>	560	560	0
<i>Fund Balance (Deficit) End of Year</i>	\$560	(\$467)	(\$1,027)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$225,646	\$176,449	(\$49,197)
Intergovernmental	1,170,406	508,674	(661,732)
Other	15,000	13,183	(1,817)
<i>Total Revenues</i>	<u>1,411,052</u>	<u>698,306</u>	<u>(712,746)</u>
Expenditures			
Current:			
Human Services			
Children Services			
Materials and Supplies	964,833	964,684	149
Contractual Services	560,035	252,602	307,433
Capital Outlay	4,000	4,000	0
Other	162,074	38,232	123,842
<i>Total Expenditures</i>	<u>1,690,942</u>	<u>1,259,518</u>	<u>431,424</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(279,890)</u>	<u>(561,212)</u>	<u>(281,322)</u>
Other Financing Sources (Uses)			
Operating Transfers In	307,533	256,479	(51,054)
Operating Transfers Out	(38,490)	0	38,490
<i>Total Other Financing Sources (Uses)</i>	<u>269,043</u>	<u>256,479</u>	<u>(12,564)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(10,847)</u>	<u>(304,733)</u>	<u>(293,886)</u>
<i>Fund Balance Beginning of Year</i>	<u>821,707</u>	<u>821,707</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$810,860</u></u>	<u><u>\$516,974</u></u>	<u><u>(\$293,886)</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and Forfeitures	\$5,000	\$4,791	(\$209)
Other	50	1,388	1,338
<i>Total Revenues</i>	5,050	6,179	1,129
Expenditures			
Current:			
Public Safety			
Indigent Drivers Alcohol			
Materials and Supplies	1,500	0	1,500
<i>Excess of Revenues Over Expenditures</i>	3,550	6,179	2,629
<i>Fund Balance Beginning of Year</i>	53,221	53,221	0
<i>Fund Balance End of Year</i>	\$56,771	\$59,400	\$2,629

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Probate Court Conduct of Business Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and Forfeitures	\$9,080	\$5,897	(\$3,183)
Intergovernmental	85,125	81,658	(3,467)
<i>Total Revenues</i>	<u>94,205</u>	<u>87,555</u>	<u>(6,650)</u>
Expenditures			
Current:			
General Government - Judicial			
Probate Court			
Personal Services	68,238	52,294	15,944
Capital Outlay	6,496	3,347	3,149
<i>Total Expenditures</i>	<u>74,734</u>	<u>55,641</u>	<u>19,093</u>
<i>Excess of Revenues Over Expenditures</i>	19,471	31,914	12,443
Other Financing Uses			
Operating Transfers Out	(20,255)	(19,255)	1,000
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(784)	12,659	13,443
<i>Fund Balance Beginning of Year</i>	70,081	70,081	0
Prior Year Encumbrances Appropriated	1,797	1,797	0
<i>Fund Balance End of Year</i>	<u>\$71,094</u>	<u>\$84,537</u>	<u>\$13,443</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
911 Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Taxes	\$203	\$945	\$742
Interest	37,116	148,888	111,772
<i>Total Revenues</i>	<u>37,319</u>	<u>149,833</u>	<u>112,514</u>
Expenditures			
Current:			
Public Safety			
911			
Materials and Supplies	500	0	500
Contractual Services	34,800	23,237	11,563
Capital Outlay	100,000	73,231	26,769
Other	3,000	1,500	1,500
<i>Total Expenditures</i>	<u>138,300</u>	<u>97,968</u>	<u>40,332</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,981)	51,865	152,846
<i>Fund Balance Beginning of Year</i>	<u>1,411,729</u>	<u>1,411,729</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,310,748</u></u>	<u><u>\$1,463,594</u></u>	<u><u>\$152,846</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
County Home Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$795,039	\$813,758	\$18,719
Charges for Services	435,000	366,754	(68,246)
Intergovernmental	76,000	79,250	3,250
Rentals	25,500	25,291	(209)
Other	7,000	3,664	(3,336)
<i>Total Revenues</i>	<u>1,338,539</u>	<u>1,288,717</u>	<u>(49,822)</u>
Expenditures			
Current:			
Human Services			
County Home Fund			
Personal Services	1,054,380	978,357	76,023
Materials and Supplies	198,000	156,544	41,456
Contractual Services	113,000	79,427	33,573
Capital Outlay	75,000	35,147	39,853
Other	8,000	6,002	1,998
<i>Total Expenditures</i>	<u>1,448,380</u>	<u>1,255,477</u>	<u>192,903</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(109,841)	33,240	143,081
<i>Fund Balance Beginning of Year</i>	217,117	217,117	0
Prior Year Encumbrances Appropriated	<u>41</u>	<u>41</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$107,317</u></u>	<u><u>\$250,398</u></u>	<u><u>\$143,081</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$266,000	\$207,150	(\$58,850)
Other	0	58,850	58,850
<i>Total Revenues</i>	<u>266,000</u>	<u>266,000</u>	<u>0</u>
Expenditures			
Current:			
General Government			
Legislative and Executive			
Planning Commission			
Personal Services	61,599	61,599	0
Capital Outlay	207,019	207,019	0
<i>Total Expenditures</i>	<u>268,618</u>	<u>268,618</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(2,618)	(2,618)	0
<i>Fund Balance Beginning of Year</i>	<u>2,618</u>	<u>2,618</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Housing Improvement Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$92,103	\$92,103	\$0
Other	3,827	7,079	3,252
<i>Total Revenues</i>	<u>95,930</u>	<u>99,182</u>	<u>3,252</u>
Expenditures			
Current:			
General Government			
Legislative and Executive			
Planning Commission			
Fringe Benefits	25,216	22,353	2,863
Contractual Services	79,324	79,160	164
<i>Total Expenditures</i>	<u>104,540</u>	<u>101,513</u>	<u>3,027</u>
<i>Excess of Revenues Under Expenditures</i>	(8,610)	(2,331)	6,279
<i>Fund Balance Beginning of Year</i>	<u>10,265</u>	<u>10,265</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,655</u></u>	<u><u>\$7,934</u></u>	<u><u>\$6,279</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Kitchen Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	<u>\$17,967</u>	<u>\$695</u>	<u>(\$17,272)</u>
Expenditures			
Current:			
Human Services			
Jail Kitchen			
Personal Services	136,091	131,293	4,798
Materials and Supplies	94,468	81,995	12,473
Contractual Services	2,422	1,948	474
Other	<u>45</u>	<u>45</u>	<u>0</u>
<i>Total Expenditures</i>	<u>233,026</u>	<u>215,281</u>	<u>17,745</u>
<i>Excess of Revenues Under Expenditures</i>	(215,059)	(214,586)	473
Other Financing Sources			
Operating Transfers In	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(15,059)	(14,586)	473
<i>Fund Balance Beginning of Year</i>	45,286	45,286	0
Prior Year Encumbrances Appropriated	<u>15,150</u>	<u>15,150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$45,377</u></u>	<u><u>\$45,850</u></u>	<u><u>\$473</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Child Neglect and Abuse Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$890	\$0	(\$890)
Expenditures			
Current:			
Human Services			
Child Neglect and Abuse			
Other	<u>6,813</u>	<u>0</u>	<u>6,813</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,923)	0	5,923
Other Financing Sources			
Operating Transfers In	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(4,423)	0	4,423
<i>Fund Balance Beginning of Year</i>	<u>9,316</u>	<u>9,316</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,893</u></u>	<u><u>\$9,316</u></u>	<u><u>\$4,423</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Victim Assistance Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$106,114	\$44,188	(\$61,926)
Expenditures			
Current:			
Human Services			
Victim Assistance			
Personal Services	117,791	52,291	65,500
Materials and Supplies	2,087	1,568	519
Contractual Services	5,869	5,756	113
Other	1,490	376	1,114
<i>Total Expenditures</i>	<u>127,237</u>	<u>59,991</u>	<u>67,246</u>
<i>Excess of Revenues Under Expenditures</i>	(21,123)	(15,803)	5,320
Other Financing Sources			
Operating Transfers In	<u>16,264</u>	<u>16,264</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(4,859)	461	5,320
<i>Fund Balance Beginning of Year</i>	7,186	7,186	0
Prior Year Encumbrances Appropriated	<u>159</u>	<u>159</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,486</u></u>	<u><u>\$7,806</u></u>	<u><u>\$5,320</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tax Map Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$1,200	\$2,215	\$1,015
Other	4,500	5,730	1,230
<i>Total Revenues</i>	<u>5,700</u>	<u>7,945</u>	<u>2,245</u>
Expenditures			
Current:			
General Government			
Legislative and Executive			
Tax Map			
Materials and Supplies	10,000	0	10,000
Other	40,500	15,113	25,387
<i>Total Expenditures</i>	<u>50,500</u>	<u>15,113</u>	<u>35,387</u>
<i>Excess of Revenues Under Expenditures</i>	(44,800)	(7,168)	37,632
Other Financing Sources			
Operating Transfers In	25,000	0	(25,000)
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(19,800)	(7,168)	12,632
<i>Fund Balance Beginning of Year</i>	<u>82,946</u>	<u>82,946</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$63,146</u></u>	<u><u>\$75,778</u></u>	<u><u>\$12,632</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Guardianship Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$3,990	\$3,000	(\$990)
Expenditures			
Current:			
Public Safety			
Indigent Guardianship			
Materials and Supplies	<u>5,000</u>	<u>4,644</u>	<u>356</u>
<i>Excess of Revenues Under Expenditures</i>	(1,010)	(1,644)	(634)
<i>Fund Balance Beginning of Year</i>	<u>10,096</u>	<u>10,096</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,086</u></u>	<u><u>\$8,452</u></u>	<u><u>(\$634)</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Education and Enforcement Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Fines and Forfeitures	\$1,500	\$990	(\$510)
Expenditures			
Current:			
Public Safety			
Education and Enforcement			
Material and Supplies	<u>5,500</u>	<u>0</u>	<u>5,500</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,000)	990	4,990
<i>Fund Balance Beginning of Year</i>	<u>9,515</u>	<u>9,515</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,515</u></u>	<u><u>\$10,505</u></u>	<u><u>\$4,990</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Projects Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$10,000	\$21,920	\$11,920
Other	<u>0</u>	<u>814</u>	<u>814</u>
<i>Total Revenues</i>	10,000	22,734	12,734
Expenditures			
Current:			
General Government - Judicial			
Special Projects			
Materials and Supplies	<u>40,000</u>	<u>0</u>	<u>40,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(30,000)	22,734	52,734
<i>Fund Balance Beginning of Year</i>	<u>83,045</u>	<u>83,045</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$53,045</u></u>	<u><u>\$105,779</u></u>	<u><u>\$52,734</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Certificate Title Administration Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$92,522	\$99,384	\$6,862
Expenditures			
Current:			
General Government			
Legislative and Executive			
Treasurer			
Other	<u>118,800</u>	<u>118,800</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(26,278)	(19,416)	6,862
<i>Fund Balance Beginning of Year</i>	<u>26,278</u>	<u>26,278</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$6,862</u></u>	<u><u>\$6,862</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Cops Universal Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$20,264	\$20,264	\$0
Expenditures			
Current:			
Public Safety			
Federal Cops Universal Grant			
Personal Services	<u>19,045</u>	<u>19,045</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,219	1,219	0
Other Financing Sources (Uses)			
Operating Transfers In	<u>15,839</u>	<u>15,839</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	17,058	17,058	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(17,058)</u>	<u>(17,058)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sheriff's Overtime Block Grant Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$21,957	\$21,957	\$0
Expenditures			
Current:			
Public Safety			
Sheriff's Overtime Block Grant			
Personal Services	13,697	13,697	0
Other	15,500	15,500	0
<i>Total Expenditures</i>	29,197	29,197	0
<i>Excess of Revenues Under Expenditures</i>	(7,240)	(7,240)	0
Other Financing Sources			
Operating Transfers In	500	500	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(6,740)	(6,740)	0
<i>Fund Balance Beginning of Year</i>	6,740	6,740	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Courthouse Security Grant Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Other	\$12,745	\$0	(\$12,745)
Expenditures			
Current:			
Public Safety			
Courthouse Security Grant			
Capital Outlay	<u>1,000</u>	<u>246</u>	<u>754</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	11,745	(246)	(11,991)
<i>Fund Balance Beginning of Year</i>	1,871	1,871	0
Prior Year Encumbrances Appropriated	<u>12,745</u>	<u>12,745</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$26,361</u></u>	<u><u>\$14,370</u></u>	<u><u>(\$11,991)</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Scenic Byways Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	9,250	9,250	0
<i>Fund Balance End of Year</i>	<u>\$9,250</u>	<u>\$9,250</u>	<u>\$0</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Wastewater Treatment Rotary Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Sources (Uses)			
Advance In	98,000	98,000	0
Advance Out	(123,000)	(123,000)	0
Operating Transfers Out	(89,282)	(88,731)	551
<i>Total Other Financing Sources (Uses)</i>	(114,282)	(113,731)	551
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(114,282)	(113,731)	551
<i>Fund Balance Beginning of Year</i>	152,282	152,282	0
<i>Fund Balance End of Year</i>	<u>\$38,000</u>	<u>\$38,551</u>	<u>\$551</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Domestic Violence Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$6,300	\$8,226	\$1,926
Expenditures			
Current:			
Human Services			
Domestic Violence			
Contractual Services	<u>8,500</u>	<u>8,427</u>	<u>73</u>
<i>Excess of Revenues Under Expenditures</i>	(2,200)	(201)	1,999
<i>Fund Balance Beginning of Year</i>	<u>3,604</u>	<u>3,604</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,404</u></u>	<u><u>\$3,403</u></u>	<u><u>\$1,999</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Transportation Coordination Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$75,000	\$126,483	\$51,483
Other	71,500	81,405	9,905
<i>Total Revenues</i>	<u>146,500</u>	<u>207,888</u>	<u>61,388</u>
Expenditures			
Current:			
Public Works			
Transportation Coordination			
Personal Services	195,072	187,428	7,644
Materials and Supplies	34,197	32,224	1,973
Contractual Services	29,389	26,091	3,298
Capital Outlay	15,304	13,170	2,134
Other	3,515	3,515	0
<i>Total Expenditures</i>	<u>277,477</u>	<u>262,428</u>	<u>15,049</u>
<i>Excess of Revenues Under Expenditures</i>	(130,977)	(54,540)	76,437
Other Financing Sources			
Operating Transfers In	75,000	25,000	(50,000)
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(55,977)	(29,540)	26,437
<i>Fund Balance Beginning of Year</i>	58,330	58,330	0
Prior Year Encumbrances Appropriated	3,230	3,230	0
<i>Fund Balance End of Year</i>	<u>\$5,583</u>	<u>\$32,020</u>	<u>\$26,437</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Youthful Impaired Driver Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$0	\$3,526	\$3,526
Expenditures			
Current:			
Public Safety			
Youthful Impaired Driver			
Personal Services	1,310	1,310	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,310)	2,216	3,526
<i>Fund Balance Beginning of Year</i>	1,310	1,310	0
<i>Fund Balance End of Year</i>	\$0	\$3,526	\$3,526

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Cops More Grant Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$8,853	\$8,853	\$0
Expenditures			
Current:			
Public Safety			
Cops More Grant			
Personal Services	<u>12,546</u>	<u>12,546</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(3,693)	(3,693)	0
Other Financing Sources			
Operating Transfers In	<u>14,737</u>	<u>14,737</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	11,044	11,044	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(11,044)</u>	<u>(11,044)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Professional Grant Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$800	\$0	(\$800)
Expenditures			
Current:			
General Government			
Legislative and Executive			
Domestic Violence			
Contractual Services	<u>800</u>	<u>0</u>	<u>800</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
CDBG Dollars Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$39,134	\$31,390	(\$7,744)
Expenditures			
Current:			
General Government			
Legislative and Executive			
CDBG Dollars			
Personal Services	39,134	31,390	7,744
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Employee Expended Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
General Government			
Legislative and Executive			
Employee Expended			
Other	10,000	10,000	0
<i>Excess of Revenues Under Expenditures</i>	(10,000)	(10,000)	0
<i>Fund Balance Beginning of Year</i>	250,000	250,000	0
<i>Fund Balance End of Year</i>	\$240,000	\$240,000	\$0

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Sharing Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$5,500	\$30,754	\$25,254
Expenditures			
Current:			
Public Safety			
Federal Equitable Sharing			
Capital Outlay	<u>5,500</u>	<u>5,500</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	25,254	25,254
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$25,254</u></u>	<u><u>\$25,254</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property and Other Taxes	\$3,549,366	\$3,568,578	\$19,212
Sales Taxes	203	945	742
Charges for Services	1,316,362	1,153,497	(162,865)
Licenses and Permits	87,700	95,252	7,552
Fines and Forfeitures	177,580	200,162	22,582
Intergovernmental	10,567,177	8,393,301	(2,173,876)
Interest	50,954	161,338	110,384
Rentals	25,500	25,291	(209)
Other	436,834	501,521	64,687
<i>Total Revenues</i>	<u>16,211,676</u>	<u>14,099,885</u>	<u>(2,111,791)</u>
Expenditures			
Current:			
General Government			
Legislative and Executive			
Real Estate Assessment Fund	441,005	379,718	61,287
Delinquent Real Estate Collection Fund	50,000	47,102	2,898
Community Development Fund	268,618	268,618	0
Community Housing Improvement Fund	104,540	101,513	3,027
Tax Map Fund	50,500	15,113	35,387
Certificate Title Administration Fund	118,800	118,800	0
Local Professional Grant Fund	800	0	800
CDBG Dollars Fund	39,134	31,390	7,744
Employee Expended Fund	10,000	10,000	0
Total Legislative and Executive	<u>1,083,397</u>	<u>972,254</u>	<u>111,143</u>
Judicial			
Probate Court Conduct of Business Fund	74,734	55,641	19,093
Special Projects Fund	40,000	0	40,000
Total Judicial	<u>114,734</u>	<u>55,641</u>	<u>59,093</u>
Total General Government	<u>\$1,198,131</u>	<u>\$1,027,895</u>	<u>\$170,236</u>

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Public Safety			
Youth Services Fund	\$318,967	\$157,445	\$161,522
Indigent Drivers Alcohol Fund	1,500	0	1,500
911 Fund	138,300	97,968	40,332
Indigent Guardianship Fund	5,000	4,644	356
Education and Enforcement Fund	5,500	0	5,500
Federal Cops Universal Fund	19,045	19,045	0
Sheriff's Overtime Block Grant Fund	29,197	29,197	0
Courthouse Security Grant Fund	1,000	246	754
Youthful Impaired Driver Fund	1,310	1,310	0
Cops More Grant Fund	12,546	12,546	0
Federal Equitable Sharing Fund	5,500	5,500	0
Total Public Safety	537,865	327,901	209,964
Public Works			
Motor Vehicle License and Gas Tax Fund	4,689,346	2,952,179	1,737,167
Recycling and Litter Fund	232,557	199,716	32,841
Transportation Coordination Fund	277,477	262,428	15,049
Total Public Works	5,199,380	3,414,323	1,785,057
Health			
Dog and Kennel Fund	99,348	87,154	12,194
Human Services			
Mental Retardation Fund	5,033,353	4,548,001	485,352
Public Assistance Fund	3,616,379	2,060,983	1,555,396
Child Support Enforcement Fund	469,694	344,362	125,332
Children Services Fund	1,690,942	1,259,518	431,424
County Home Fund	1,448,380	1,255,477	192,903
Jail Kitchen Fund	233,026	215,281	17,745
Child Neglect and Abuse Fund	6,813	0	6,813
Victim Assistance Fund	127,237	59,991	67,246
Domestic Violence Fund	8,500	8,427	73
Total Human Services	\$12,634,324	\$9,752,040	\$2,882,284

(continued)

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Conservation and Recreation:			
ODNR Grant	\$45,000	\$44,840	\$160
<i>Total Expenditures</i>	<u>19,714,048</u>	<u>14,654,153</u>	<u>5,059,895</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,502,372)</u>	<u>(554,268)</u>	<u>2,948,104</u>
Other Financing Sources (Uses)			
Advance In	98,000	98,000	0
Advances Out	(123,000)	(123,000)	0
Operating Transfers In	756,251	907,118	150,867
Operating Transfers Out	(740,459)	(338,194)	402,265
<i>Total Other Financing Sources (Uses)</i>	<u>(9,208)</u>	<u>543,924</u>	<u>553,132</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(3,511,580)</u>	<u>(10,344)</u>	<u>3,501,236</u>
<i>Fund Balances Beginning of Year</i>	7,717,605	7,717,605	0
Prior Year Encumbrances Appropriated	<u>180,667</u>	<u>180,667</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,386,692</u></u>	<u><u>\$7,887,928</u></u>	<u><u>\$3,501,236</u></u>

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 Funds

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:

Mental Retardation Capital – To account for transfers to be used for ongoing capital improvements capital improvements.

Capital Improvements - To account for sales tax monies set aside for various capital projects within the County.

Landfill Capital Projects - To account 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.

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

Issue II - To account for monies received from the Ohio Public Works Commission used to build infrastructure.

Holmes County, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2002

	Mental Retardation Capital	Capital Improvements	Landfill Capital Projects	Capital Computerization
Assets				
Equity in Pooled Cash and Cash Equivalents	\$89,398	\$206,183	\$10,476	\$204,049
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	12,000	0	0
Accounts	0	0	0	3,200
<i>Total Assets</i>	<u>\$89,398</u>	<u>\$218,183</u>	<u>\$10,476</u>	<u>\$207,249</u>
Liabilities				
Accounts Payable	\$0	\$8,944	\$0	\$1,660
Accrued Wages	0	0	0	111
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>8,944</u>	<u>0</u>	<u>1,771</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	0	0	0	499
Unreserved, Undesignated	89,398	209,239	10,476	204,979
<i>Total Fund Equity (Deficit)</i>	<u>89,398</u>	<u>209,239</u>	<u>10,476</u>	<u>205,478</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$89,398</u>	<u>\$218,183</u>	<u>\$10,476</u>	<u>\$207,249</u>

<u>Recorder's Equipment</u>	<u>Rails-to-Trails</u>	<u>Totals</u>
\$20,210	\$0	\$530,316
0	90,798	90,798
0	0	12,000
0	0	3,200
<u>\$20,210</u>	<u>\$90,798</u>	<u>\$636,314</u>
\$2,829	\$0	\$13,433
0	0	111
0	24,064	24,064
0	174,586	174,586
<u>2,829</u>	<u>198,650</u>	<u>212,194</u>
241	0	740
<u>17,140</u>	<u>(107,852)</u>	<u>423,380</u>
<u>17,381</u>	<u>(107,852)</u>	<u>424,120</u>
<u>\$20,210</u>	<u>\$90,798</u>	<u>\$636,314</u>

Holmes County, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended December 31, 2002*

	Mental Retardation Capital	Capital Improvements	Landfill Capital Projects	Capital Computerization
Revenues				
Sales Taxes	\$0	\$144,000	\$0	\$0
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	69,689
Intergovernmental	0	24,877	0	0
Interest	0	2,549	0	1,282
Contributions and Donations	0	0	0	0
Other	1,876	24,213	0	11,366
<i>Total Revenues</i>	1,876	195,639	0	82,337
Expenditures				
Capital Outlay	71,024	373,120	0	76,504
<i>Excess of Revenues Over (Under) Expenditures</i>	(69,148)	(177,481)	0	5,833
Other Financing Sources				
Operating Transfers In	55,000	8,500	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(14,148)	(168,981)	0	5,833
<i>Fund Balances (Deficit) Beginning of Year</i>	103,546	378,220	10,476	199,645
<i>Fund Balances (Deficit) End of Year</i>	\$89,398	\$209,239	\$10,476	\$205,478

<u>Recorder's Equipment</u>	<u>Rails-to-Trails</u>	<u>Issue II</u>	<u>Totals</u>
\$0	\$0	\$0	\$144,000
42,124	0	0	42,124
0	0	0	69,689
0	0	207,337	232,214
0	0	0	3,831
0	54,437	0	54,437
<u>0</u>	<u>0</u>	<u>0</u>	<u>37,455</u>
42,124	54,437	207,337	583,750
<u>28,389</u>	<u>64,059</u>	<u>207,337</u>	<u>820,433</u>
13,735	(9,622)	0	(236,683)
<u>0</u>	<u>0</u>	<u>0</u>	<u>63,500</u>
13,735	(9,622)	0	(173,183)
<u>3,646</u>	<u>(98,230)</u>	<u>0</u>	<u>597,303</u>
<u>\$17,381</u>	<u>(\$107,852)</u>	<u>\$0</u>	<u>\$424,120</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation Capital Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Other	\$3,208	\$1,876	(\$1,332)
Expenditures			
Capital Outlay	126,000	71,024	54,976
<i>Excess of Revenues Under Expenditures</i>	(122,792)	(69,148)	53,644
Other Financing Sources			
Operating Transfers In	155,000	55,000	(100,000)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	32,208	(14,148)	(46,356)
<i>Fund Balance Beginning of Year</i>	103,546	103,546	0
<i>Fund Balance End of Year</i>	<u>\$135,754</u>	<u>\$89,398</u>	<u>(\$46,356)</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Improvements Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Taxes	\$144,000	\$144,000	\$0
Intergovernmental	0	25,000	25,000
Interest	7,500	2,467	(5,033)
Other	0	24,213	24,213
<i>Total Revenues</i>	151,500	195,680	44,180
Expenditures			
Capital Outlay	445,040	404,969	40,071
<i>Excess of Revenues Under Expenditures</i>	(293,540)	(209,289)	84,251
Other Financing Sources			
Operating Transfers In	8,506	8,500	(6)
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(285,034)	(200,789)	84,245
<i>Fund Balance Beginning of Year</i>	334,264	334,264	0
Prior Year Encumbrances Appropriated	72,485	72,485	0
<i>Fund Balance End of Year</i>	<u>\$121,715</u>	<u>\$205,960</u>	<u>\$84,245</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Landfill Capital Projects Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Other	\$0	\$0	\$0
Expenditures			
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>10,476</u>	<u>10,476</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,476</u></u>	<u><u>\$10,476</u></u>	<u><u>\$0</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Computerization Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and Forfeitures	\$54,033	\$66,759	\$12,726
Interest	0	1,221	1,221
Other	9,000	11,366	2,366
<i>Total Revenues</i>	63,033	79,346	16,313
Expenditures			
Capital Outlay	162,623	78,980	83,643
<i>Excess of Revenues Over (Under) Expenditures</i>	(99,590)	366	99,956
<i>Fund Balance Beginning of Year</i>	201,506	201,506	0
Prior Year Encumbrances Appropriated	603	603	0
<i>Fund Balance End of Year</i>	<u>\$102,519</u>	<u>\$202,475</u>	<u>\$99,956</u>

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recorder's Equipment Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$27,500	\$44,678	\$17,178
Expenditures			
Capital Outlay	30,000	28,766	1,234
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,500)	15,912	18,412
<i>Fund Balance Beginning of Year</i>	2,726	2,726	0
<i>Fund Balance End of Year</i>	\$226	\$18,638	\$18,412

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$245,743	\$207,337	(\$38,406)
Expenditures			
Capital Outlay	245,743	207,337	38,406
<i>Excess of Revenues Under Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Holmes County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Taxes	\$144,000	\$144,000	\$0
Charges for Services	27,500	44,678	17,178
Fines and Foreitures	54,033	66,759	12,726
Intergovernmental	245,743	232,337	(13,406)
Interest	7,500	3,688	(3,812)
Other	12,208	37,455	25,247
<i>Total Revenues</i>	<u>490,984</u>	<u>528,917</u>	<u>37,933</u>
Expenditures			
Capital Outlay:			
Mental Retardation Capital Fund	126,000	71,024	54,976
Capital Improvements Fund	445,040	404,969	40,071
Capital Computerization Fund	162,623	78,980	83,643
Recorder's Equipment Fund	30,000	28,766	1,234
Issue II Fund	245,743	207,337	38,406
Total Capital Outlay	<u>1,009,406</u>	<u>791,076</u>	<u>218,330</u>
<i>Excess of Revenues Under Expenditures</i>	(518,422)	(262,159)	256,263
Other Financing Sources			
Operating Transfers In	<u>163,506</u>	<u>63,500</u>	<u>(100,006)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(354,916)	(198,659)	156,257
<i>Fund Balances Beginning of Year</i>	652,518	652,518	0
Prior Year Encumbrances Appropriated	<u>73,090</u>	<u>73,090</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$370,692</u></u>	<u><u>\$526,949</u></u>	<u><u>\$156,257</u></u>

Enterprise Funds

The enterprise funds are used to account for the County's ongoing organizations and activities whose operations are financed and operated in a manner similar to a private business enterprise. The intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The following is a description of the enterprise funds:

East Holmes Water - To account for water services provided to individuals and commercial users in the County. The costs of providing these services are financed primarily through user charges.

Sewer District - To account for sanitary sewer services provided to individuals and commercial users in the County. The costs of providing these services are financed primarily through user charges.

County Disposal - To account for disposal of refuse services provided to individual and commercial users in the County. The costs of providing these services are financed primarily through user charges.

Joel Pomerene Hospital - To account for revenues earned from the services rendered by the hospital to the residents of the County.

Holmes County, Ohio
Combining Balance Sheet
All Enterprise Funds
December 31, 2002

	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Totals
Assets					
Equity in Pooled Cash and Cash Equivalents	\$10,446	\$637,735	\$61,162	\$0	\$709,343
Cash and Cash Equivalents in Segregated Accounts	0	0	0	1,814,155	1,814,155
Accounts Receivable (Net of Allowances)	1,026	6,711	3,122	3,753,144	3,764,003
Material and Supplies					
Inventory	0	0	0	213,277	213,277
Prepaid Items and Other Assets	0	0	0	244,013	244,013
Notes and Loans Receivable	0	196,826	0	0	196,826
Current Portion of Assets Limited as to Use	0	0	0	110,770	110,770
Total Current Assets	11,472	841,272	64,284	6,135,359	7,052,387
Assets Limited as to Use (Net of Current Portion)	0	0	0	5,510,396	5,510,396
Fixed Assets (Net of Accumulated Depreciation)	0	5,177,032	368,540	9,634,708	15,180,280
Total Assets	\$11,472	\$6,018,304	\$432,824	\$21,280,463	\$27,743,063
Liabilities					
Accounts Payable	\$0	\$10,856	\$1,874	\$451,492	\$464,222
Contracts Payable	0	20,772	0	0	20,772
Accrued Wages	0	7,739	1,730	1,645,765	1,655,234
Compensated Absences Payable	0	10,811	2,221	0	13,032
Intergovernmental Payable	0	6,325	1,669	0	7,994
Accrued Interest Payable	0	96,278	0	0	96,278
Advances from Other Funds	8,000	155,050	0	0	163,050
Other Accrued Expenses	0	0	0	284,094	284,094
Third-Party Settlements	0	0	0	325,000	325,000
Capital Leases Payable	0	11,928	0	43,629	55,557
Revenue Bonds Payable	0	32,000	0	53,000	85,000
Total Current Liabilities	8,000	351,759	7,494	2,802,980	3,170,233
Long Term Liabilities:					
OPWC Loans Payable	0	126,987	0	0	126,987
Closure and Postclosure Care Payable	0	0	3,416,921	0	3,416,921
Capital Leases Payable	0	54,688	0	0	54,688
Revenue Bonds Payable (Net of Current Portion)	0	2,809,000	0	1,258,085	4,067,085
Total Long-Term Liabilities	0	2,990,675	3,416,921	1,258,085	7,665,681
Total Liabilities	8,000	3,342,434	3,424,415	4,061,065	10,835,914
Fund Equity					
Contributed Capital	0	3,972,770	0	0	3,972,770
Retained Earnings (Deficit):					
Unreserved	3,472	(1,296,900)	(2,991,591)	17,219,398	12,934,379
Total Fund Equity (Deficit)	3,472	2,675,870	(2,991,591)	17,219,398	16,907,149
Total Liabilities and Fund Equity	\$11,472	\$6,018,304	\$432,824	\$21,280,463	\$27,743,063

Holmes County, Ohio
*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Year Ended December 31, 2002*

	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Totals
Operating Revenues					
Charges for Services	\$10,022	\$464,254	\$3,122	\$22,050,565	\$22,527,963
Other	2,750	425,408	45,331	305,772	779,261
<i>Total Operating Revenues</i>	<u>12,772</u>	<u>889,662</u>	<u>48,453</u>	<u>22,356,337</u>	<u>23,307,224</u>
Operating Expenses					
Personal Services	0	178,181	48,601	9,786,879	10,013,661
Materials and Supplies	0	1,239	0	6,084,675	6,085,914
Contractual Services	9,300	565,780	6,718	0	581,798
Provision for Bad Debts	0	0	0	821,634	821,634
Physician Recruiting and Incentive	0	0	0	167,177	167,177
Medical Professional Fees	0	0	0	2,213,345	2,213,345
Depreciation	0	194,192	0	1,182,604	1,376,796
Closure and Postclosure	0	0	1,140,028	0	1,140,028
Other	0	2,382	450	0	2,832
<i>Total Operating Expenses</i>	<u>9,300</u>	<u>941,774</u>	<u>1,195,797</u>	<u>20,256,314</u>	<u>22,403,185</u>
<i>Operating Income (Loss)</i>	<u>3,472</u>	<u>(52,112)</u>	<u>(1,147,344)</u>	<u>2,100,023</u>	<u>904,039</u>
Non-Operating Revenues (Expenses)					
Net Non-Operating Income	0	0	0	126,579	126,579
NE Network Grant - Net	0	0	0	(44,364)	(44,364)
Interest and Fiscal Charges	0	(62,895)	0	(111,445)	(174,340)
Change in Fair Value of Investment	0	0	0	4,270	4,270
<i>Total Non-Operating Revenues (Expenses)</i>	<u>0</u>	<u>(62,895)</u>	<u>0</u>	<u>(24,960)</u>	<u>(87,855)</u>
<i>Net Income (Loss) Before Operating Transfers</i>	3,472	(115,007)	(1,147,344)	2,075,063	816,184
Operating Transfers In	0	88,731	0	0	88,731
<i>Net Income (Loss)</i>	3,472	(26,276)	(1,147,344)	2,075,063	904,915
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>0</u>	<u>(1,270,624)</u>	<u>(1,844,247)</u>	<u>15,144,335</u>	<u>12,029,464</u>
<i>Retained Earnings (Deficit) End of Year</i>	3,472	(1,296,900)	(2,991,591)	17,219,398	12,934,379
Contributed Capital Beginning and End of Year	0	3,972,770	0	0	3,972,770
<i>Total Fund Equity (Deficit) End of Year</i>	<u>\$3,472</u>	<u>\$2,675,870</u>	<u>(\$2,991,591)</u>	<u>\$17,219,398</u>	<u>\$16,907,149</u>

Holmes County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
East Holmes Water Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$12,104	\$8,996	(\$3,108)
Other	2,000	2,750	750
<i>Total Revenues</i>	14,104	11,746	(2,358)
Expenses			
Contractual Services	17,300	10,677	6,623
<i>Excess of Revenues Over (Under) Expenses</i>	(3,196)	1,069	4,265
Advances In	8,000	8,000	0
<i>Excess of Revenues Over Expenses and Advances</i>	4,804	9,069	4,265
<i>Fund Equity Beginning of Year</i>	0	0	0
<i>Fund Equity End of Year</i>	\$4,804	\$9,069	\$4,265

Holmes County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer District Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$424,000	\$332,816	(\$91,184)
Proceeds of OPWC Loan	0	58,226	58,226
Other	0	6,555	6,555
<i>Total Revenues</i>	<u>424,000</u>	<u>397,597</u>	<u>(26,403)</u>
Expenses			
Personal Services	169,450	159,417	10,033
Materials and Supplies	16,863	13,241	3,622
Contractual Services	564,147	545,008	19,139
Capital Outlay	38,670	4,426	34,244
Other	2,800	2,382	418
<i>Total Expenses</i>	<u>791,930</u>	<u>724,474</u>	<u>67,456</u>
<i>Excess of Revenues Under Expenses</i>	(367,930)	(326,877)	41,053
Advances In	115,000	115,000	0
Operating Transfers In	101,500	88,731	(12,769)
<i>Excess of Revenues Under Expenses, Transfers and Advances</i>	(151,430)	(123,146)	28,284
<i>Fund Equity Beginning of Year</i>	<u>172,997</u>	<u>172,997</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$21,567</u></u>	<u><u>\$49,851</u></u>	<u><u>\$28,284</u></u>

Holmes County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
County Disposal Fund
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$31,000	\$47,334	\$16,334
Expenses			
Personal Services	50,356	43,525	6,831
Contractual Services	36,500	7,225	29,275
Other	500	450	50
<i>Total Expenses</i>	87,356	51,200	36,156
<i>Excess of Revenues Under Expenses</i>	(56,356)	(3,866)	52,490
Operating Transfers In	8,300	0	(8,300)
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(48,056)	(3,866)	44,190
<i>Fund Equity Beginning of Year</i>	65,028	65,028	0
<i>Fund Equity End of Year</i>	\$16,972	\$61,162	\$44,190

Holmes County, Ohio
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP) and Actual
All Enterprise Funds
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$467,104	\$389,146	(\$77,958)
Proceeds of OPWC Loan	0	58,226	58,226
Other	2,000	9,305	7,305
<i>Total Revenues</i>	<u>469,104</u>	<u>456,677</u>	<u>(12,427)</u>
Expenses			
Personal Services			
Sewer District	169,450	159,417	10,033
County Disposal	50,356	43,525	6,831
Total Personal Services	<u>219,806</u>	<u>202,942</u>	<u>16,864</u>
Materials and Supplies			
Sewer District	16,863	13,241	3,622
Contractual Services			
East Holmes Water	17,300	10,677	6,623
Sewer District	564,147	545,008	19,139
County Disposal	36,500	7,225	29,275
Total Contractual Services	<u>617,947</u>	<u>562,910</u>	<u>55,037</u>
Capital Outlay			
Sewer District	38,670	4,426	34,244
Other			
Sewer District	2,800	2,382	418
County Disposal	500	450	50
Total Other	<u>3,300</u>	<u>2,832</u>	<u>468</u>
<i>Total Expenses</i>	<u>896,586</u>	<u>786,351</u>	<u>110,235</u>
<i>Excess of Revenues Under Expenses</i>	(427,482)	(329,674)	97,808
Advances In	123,000	123,000	0
Operating Transfers In	109,800	88,731	(21,069)
<i>Excess of Revenues Under Expenses and Transfers and Advances</i>	(194,682)	(117,943)	76,739
<i>Fund Equity Beginning of Year</i>	<u>238,025</u>	<u>238,025</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$43,343</u>	<u>\$120,082</u>	<u>\$76,739</u>

Holmes County, Ohio
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2002

	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Totals
INCREASES (DECREASES) IN CASH AND CASH EQUIVALENTS					
Cash Flows from Operating Activities					
Cash Received from Customers	\$8,996	\$465,225	\$47,334	\$21,803,900	\$22,325,455
Other Cash Receipts	2,750	425,408	0	303,672	731,830
Cash Paid to Suppliers for Goods and Services	(9,300)	(558,249)	(7,675)	(8,399,413)	(8,974,637)
Cash Paid to Employees	0	(159,417)	(43,525)	(9,344,182)	(9,547,124)
Other Cash Payments	0	(2,382)	0	0	(2,382)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,446</u>	<u>170,585</u>	<u>(3,866)</u>	<u>4,363,977</u>	<u>4,533,142</u>
Cash Flows from Noncapital Financing Activities					
Advance Out	0	(98,000)	0	0	(98,000)
Transfers In	0	88,731	0	0	88,731
Advances In	8,000	115,000	0	0	123,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>8,000</u>	<u>105,731</u>	<u>0</u>	<u>0</u>	<u>113,731</u>
Cash Flows from Capital and Related Financing Activities					
Purchase of Fixed Assets	0	(4,426)	0	(661,466)	(665,892)
Sale of Fixed Assets	0	0	0	2,581	2,581
Proceeds of OPWC Loan	0	58,226	0	0	58,226
Principal Payments - OPWC Loans	0	(7,307)	0	0	(7,307)
Principal Payments - Capital Leases	0	(11,302)	0	(122,811)	(134,113)
Principal Payments - Revenue Bonds Placed in trust for capital related debts	0	(30,000)	0	0	(30,000)
Interest Payments - Capital Leases	0	0	0	(515,915)	(515,915)
Interest Payments - Revenue Bonds	0	(4,102)	0	(3,583)	(7,685)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(154,286)</u>	<u>0</u>	<u>(1,409,057)</u>	<u>(1,563,343)</u>
Cash Flows from Investing Activities					
Repayments from Notes Receivable	0	10,619	0	0	10,619
Interest on Investments	0	0	0	126,579	126,579
Sale of Investments	0	0	0	(1,599,615)	(1,599,615)
<i>Net Cash Provided by (Used for) Investing Activities</i>	<u>0</u>	<u>10,619</u>	<u>0</u>	<u>(1,473,036)</u>	<u>(1,462,417)</u>
Net Increase in Cash and Cash Equivalents	10,446	132,649	(3,866)	1,481,884	1,621,113
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>505,086</u>	<u>65,028</u>	<u>2,463,981</u>	<u>3,034,095</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$10,446</u>	<u>\$637,735</u>	<u>\$61,162</u>	<u>\$3,945,865</u>	<u>4,655,208</u>
Cash and Cash Equivalents Include the Following:					
Cash and Cash Equivalents	\$10,446	\$637,735	\$61,162	\$1,814,155	\$2,523,498
Assets Limited as to Use - Cash and Cash Equivalents Board Designed for Future Capital Improvements	0	0	0	2,088,440	2,088,440
Assets Limited as to Use - Funds Available for Future Construction and Equipment	0	0	0	43,270	43,270
	<u>\$10,446</u>	<u>\$637,735</u>	<u>\$61,162</u>	<u>\$3,945,865</u>	<u>\$4,655,208</u>

(continued)

Holmes County, Ohio
Combining Statement of Cash Flows
All Enterprise Funds (continued)
For the Year Ended December 31, 2002

Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	East Holmes Water	Sewer District	County Disposal	Joel Pomerene Hospital	Totals
Operating Income (Loss)	\$3,472	(\$52,112)	(\$1,147,344)	\$2,100,023	\$904,039
Adjustments:					
Depreciation Expense	0	194,192	0	1,182,604	1,376,796
Bad Debt Expense	0	0	0	821,634	821,634
Loss on Sale of Capital Asset	0	0	0	(2,100)	(2,100)
(Increases) Decreases in Assets:					
Accounts Receivable	(1,026)	971	(1,119)	(123,922)	(125,096)
Materials and Supplies Inventory	0	0	0	(27,826)	(27,826)
Prepaid Items	0	0	0	55,273	55,273
Other Receivables	0	0	0	(14,555)	(14,555)
Increases (Decreases) in Liabilities:					
Accounts Payable	0	1,964	1,181	45,716	48,861
Contracts Payable	0	20,772	0	0	20,772
Accrued Wages	0	2,202	170	435,318	437,690
Compensated Absences Payable	0	4,700	1,677	0	6,377
Intergovernmental Payable	0	(2,104)	1,541	0	(563)
Closure and Postclosure Care Payable	0	0	1,140,028	0	1,140,028
Third-Party Settlements	0	0	0	(108,188)	(108,188)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,446</u>	<u>\$170,585</u>	<u>(\$3,866)</u>	<u>\$4,363,977</u>	<u>\$4,533,142</u>

Fiduciary Funds

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

Agency Funds

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

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 Personal Property Tax - To account for the collection of tangible personal property taxes that are periodically apportioned to the subdivisions and to the County operating funds.

Undivided Real Property Tax - To account for the collection of real estate taxes and special assessments 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

Local Emergency Planning

Undivided Inheritance Tax

Undivided Municipal Permissive

State Settlements

Undivided Cigarette Tax

Law Library

Undivided Trailer Tax

Undivided Local Government

Emergency Management

Undivided Local Government Revenue

Payroll

Sheriff's Agency

Court Agency

County Home Patient

Travel and Tourism

Special Taxing Districts

Community Care Pooled

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
District Board of Health				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$486,234	\$4,852,798	\$4,188,032	\$1,151,000
<i>Total Assets</i>	<u>\$486,234</u>	<u>\$4,852,798</u>	<u>\$4,188,032</u>	<u>\$1,151,000</u>
Liabilities				
Undistributed Assets	<u>\$486,234</u>	<u>\$4,852,798</u>	<u>\$4,188,032</u>	<u>\$1,151,000</u>
Soil and Water Conservation				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$51,167	\$209,627	\$239,048	\$21,746
Cash and Cash Equivalents in Segregated Accounts	199,264	139,393	154,172	184,485
<i>Total Assets</i>	<u>\$250,431</u>	<u>\$349,020</u>	<u>\$393,220</u>	<u>\$206,231</u>
Liabilities				
Undistributed Assets	<u>\$250,431</u>	<u>\$349,020</u>	<u>\$393,220</u>	<u>\$206,231</u>
Park District				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$49,485	\$120,091	\$103,768	\$65,808
Liabilities				
Undistributed Assets	<u>\$49,485</u>	<u>\$120,091</u>	<u>\$103,768</u>	<u>\$65,808</u>
Sheriff's Law Enforcement				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$16,762	\$740	\$12,520	\$4,982
Liabilities				
Undistributed Assets	<u>\$16,762</u>	<u>\$740</u>	<u>\$12,520</u>	<u>\$4,982</u>
County Public Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,290,563	\$1,290,563	\$0
Intergovernmental Receivable	2,745	98,204	2,745	98,204
<i>Total Assets</i>	<u>\$2,745</u>	<u>\$1,388,767</u>	<u>\$1,293,308</u>	<u>\$98,204</u>
Liabilities				
Undistributed Assets	<u>\$2,745</u>	<u>\$1,388,767</u>	<u>\$1,293,308</u>	<u>\$98,204</u>

(continued)

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
Local Emergency Planning				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,842	\$13,861	\$0	\$41,703
Liabilities				
Undistributed Assets	\$27,842	\$13,861	\$0	\$41,703
Gasoline and License Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$20,856	\$1,008,391	\$1,029,247	\$0
Intergovernmental Receivable	33,457	365,152	33,457	365,152
<i>Total Assets</i>	<u>\$54,313</u>	<u>\$1,373,543</u>	<u>\$1,062,704</u>	<u>\$365,152</u>
Liabilities				
Intergovernmental Payable	\$33,457	\$365,152	\$33,457	\$365,152
Undistributed Assets	20,856	1,008,391	1,029,247	0
<i>Total Liabilities</i>	<u>\$54,313</u>	<u>\$1,373,543</u>	<u>\$1,062,704</u>	<u>\$365,152</u>
Undivided Inheritance Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$370,083	\$1,007,585	\$1,225,824	\$151,844
Intergovernmental Receivable	15,557	57,099	15,557	57,099
<i>Total Assets</i>	<u>\$385,640</u>	<u>\$1,064,684</u>	<u>\$1,241,381</u>	<u>\$208,943</u>
Liabilities				
Intergovernmental Payable	\$15,557	\$57,099	\$15,557	\$57,099
Undistributed Assets	370,083	1,007,585	1,225,824	151,844
<i>Total Liabilities</i>	<u>\$385,640</u>	<u>\$1,064,684</u>	<u>\$1,241,381</u>	<u>\$208,943</u>
Undivided Municipal Permissive				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$191,864	\$24,952	\$106,275	\$110,541
Intergovernmental Receivable	0	1,518	0	1,518
<i>Total Assets</i>	<u>\$191,864</u>	<u>\$26,470</u>	<u>\$106,275</u>	<u>\$112,059</u>
Liabilities				
Undistributed Assets	\$191,864	\$26,470	\$106,275	\$112,059

(continued)

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
Undivided Personal Property Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,348	\$5,616,028	\$5,615,423	\$27,953
Taxes Receivable	4,665,645	4,712,703	4,665,645	4,712,703
Intergovernmental Receivable	6,443	0	6,443	0
<i>Total Assets</i>	<u>\$4,699,436</u>	<u>\$10,328,731</u>	<u>\$10,287,511</u>	<u>\$4,740,656</u>
Liabilities				
Due to County Funds	\$956,633	\$950,835	\$956,633	\$950,835
Undistributed Assets	3,742,803	9,377,896	9,330,878	3,789,821
<i>Total Liabilities</i>	<u>\$4,699,436</u>	<u>\$10,328,731</u>	<u>\$10,287,511</u>	<u>\$4,740,656</u>
Undivided Real Property Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$622,611	\$22,032,520	\$21,962,456	\$692,675
Taxes Receivable	22,792,874	23,436,243	22,792,874	23,436,243
<i>Total Assets</i>	<u>\$23,415,485</u>	<u>\$45,468,763</u>	<u>\$44,755,330</u>	<u>\$24,128,918</u>
Liabilities				
Due to County Funds	\$4,452,967	\$4,642,310	\$4,452,967	\$4,642,310
Undistributed Assets	18,962,518	40,826,453	40,302,363	19,486,608
<i>Total Liabilities</i>	<u>\$23,415,485</u>	<u>\$45,468,763</u>	<u>\$44,755,330</u>	<u>\$24,128,918</u>
State Settlements				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$155	\$251,056	\$251,060	\$151
Liabilities				
Undistributed Assets	\$155	\$251,056	\$251,060	\$151
Undivided Cigarette Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$210	\$1,218	\$1,232	\$196
Liabilities				
Undistributed Assets	\$210	\$1,218	\$1,232	\$196

(continued)

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
Law Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$468	\$58,760	\$59,019	\$209
Accounts Receivable	0	3,799	0	3,799
<i>Total Assets</i>	<u>\$468</u>	<u>\$62,559</u>	<u>\$59,019</u>	<u>\$4,008</u>
Liabilities				
Undistributed Assets	<u>\$468</u>	<u>\$62,559</u>	<u>\$59,019</u>	<u>\$4,008</u>
Undivided Trailer Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$24,229</u>	<u>\$251,443</u>	<u>\$250,906</u>	<u>\$24,766</u>
Liabilities				
Undistributed Assets	<u>\$24,229</u>	<u>\$251,443</u>	<u>\$250,906</u>	<u>\$24,766</u>
Undivided Local Government				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$808,277	\$808,277	\$0
Intergovernmental Receivable	58,865	188,146	58,865	188,146
<i>Total Assets</i>	<u>\$58,865</u>	<u>\$996,423</u>	<u>\$867,142</u>	<u>\$188,146</u>
Liabilities				
Undistributed Assets	<u>\$58,865</u>	<u>\$996,423</u>	<u>\$867,142</u>	<u>\$188,146</u>
Emergency Management				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$50,188</u>	<u>\$59,613</u>	<u>\$79,456</u>	<u>\$30,345</u>
Liabilities				
Undistributed Assets	<u>\$50,188</u>	<u>\$59,613</u>	<u>\$79,456</u>	<u>\$30,345</u>
Undivided Local Government Revenue				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$324,872	\$324,872	\$0
Intergovernmental Receivable	0	76,646	0	76,646
<i>Total Assets</i>	<u>\$0</u>	<u>\$401,518</u>	<u>\$324,872</u>	<u>\$76,646</u>
Liabilities				
Undistributed Assets	<u>\$0</u>	<u>\$401,518</u>	<u>\$324,872</u>	<u>\$76,646</u>

(continued)

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
Payroll				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$244,412	\$16,275,868	\$16,427,107	\$93,173
Liabilities				
Undistributed Assets	\$244,412	\$16,275,868	\$16,427,107	\$93,173
Alimony and Child Support				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$3,952	\$47	\$250	\$3,749
Accounts Receivable	94,228	98,951	94,228	98,951
<i>Total Assets</i>	<u>\$98,180</u>	<u>\$98,998</u>	<u>\$94,478</u>	<u>\$102,700</u>
Liabilities				
Undistributed Assets	<u>\$98,180</u>	<u>\$98,998</u>	<u>\$94,478</u>	<u>\$102,700</u>
Sheriff's Agency				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$2,163	\$2,948,035	\$2,795,902	\$154,296
Liabilities				
Undistributed Assets	<u>\$2,163</u>	<u>\$2,948,035</u>	<u>\$2,795,902</u>	<u>\$154,296</u>
Court Agency				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$38,561	\$4,110,136	\$3,981,651	\$167,046
Investments in Segregated Accounts	25,000	0	0	25,000
<i>Total Assets</i>	<u>\$63,561</u>	<u>\$4,110,136</u>	<u>\$3,981,651</u>	<u>\$192,046</u>
Liabilities				
Undistributed Assets	<u>\$63,561</u>	<u>\$4,110,136</u>	<u>\$3,981,651</u>	<u>\$192,046</u>
County Home Patient				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$3,792	\$9,002	\$11,826	\$968
Liabilities				
Undistributed Assets	<u>\$3,792</u>	<u>\$9,002</u>	<u>\$11,826</u>	<u>\$968</u>

(continued)

Holmes County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (continued)
For the Year Ended December 31, 2002

	Balance 1-1-02	Additions	Reductions	Balance 12-31-02
Travel and Tourism				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$130,710	\$383,861	\$398,577	\$115,994
Taxes Receivable	20,230	12,273	20,230	12,273
Intergovernmental Receivable	0	31,303	0	31,303
<i>Total Assets</i>	<u>\$150,940</u>	<u>\$427,437</u>	<u>\$418,807</u>	<u>\$159,570</u>
Liabilities				
Undistributed Assets	<u>\$150,940</u>	<u>\$427,437</u>	<u>\$418,807</u>	<u>\$159,570</u>
Special Taxing District				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$694	\$21,992,095	\$21,992,095	\$694
Liabilities				
Undistributed Assets	<u>\$694</u>	<u>\$21,992,095</u>	<u>\$21,992,095</u>	<u>\$694</u>
Community Care Pooled				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$355,823	\$338,720	\$364,461	\$330,082
Liabilities				
Undistributed Assets	<u>\$355,823</u>	<u>\$338,720</u>	<u>\$364,461</u>	<u>\$330,082</u>
All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,671,141	\$76,598,067	\$76,405,346	\$2,863,862
Cash and Cash Equivalents in Segregated Accounts	247,732	7,531,485	7,268,673	510,544
Investments in Segregated accounts	25,000	0	0	25,000
Taxes Receivable	27,478,749	28,161,219	27,478,749	28,161,219
Accounts Receivable	94,228	102,750	94,228	102,750
Intergovernmental Receivable	117,067	818,068	117,067	818,068
Total Assets	<u>\$30,633,917</u>	<u>\$113,211,589</u>	<u>\$111,364,063</u>	<u>\$32,481,443</u>
Liabilities				
Intergovernmental Payable	\$49,014	\$422,251	\$49,014	\$422,251
Undistributed Assets (Due to County Funds)	5,409,600	5,593,145	5,409,600	5,593,145
Undistributed Assets	<u>25,175,303</u>	<u>107,196,193</u>	<u>105,905,449</u>	<u>26,466,047</u>
Total Liabilities	<u>\$30,633,917</u>	<u>\$113,211,589</u>	<u>\$111,364,063</u>	<u>\$32,481,443</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the enterprise funds.

Holmes County, Ohio
Schedule of General Fixed Assets
By Sources
December 31, 2002

General Fixed Assets

Land	\$1,226,928
Buildings and Improvements	17,962,293
Equipment and Machinery	2,937,530
Furniture and Fixtures	891,819
Vehicles	2,861,527

Total General Fixed Assets

\$25,880,097

Investment in General Fixed Assets

General Government Revenues	\$7,073,352
Special Revenue Fund Revenues	5,813,433
Capital Projects Fund Revenue	9,891,867
State and Federal Grants	3,101,445

Total Investment in General Fixed Assets

\$25,880,097

Holmes County, Ohio
Schedule of General Fixed Assets
By Function
December 31, 2002

Program and Department	Total	Land and Improvements	Buildings	Equipment and Machinery	Furniture and Fixtures	Vehicles
General Government -						
Legislative and Executive						
Commissioners	\$7,185,196	\$1,226,928	\$5,882,619	\$49,673	\$4,208	\$21,768
Auditor	194,588	0	0	160,597	12,575	21,416
Treasurer	47,418	0	0	33,993	13,425	0
Prosecutor	30,851	0	0	24,211	6,640	0
License Bureau	7,663	0	0	5,678	1,985	0
Recorder	53,820	0	0	15,945	37,875	0
Board of Elections	29,665	0	0	12,440	17,225	0
Tax Map	58,647	0	0	42,327	16,320	0
Total General Government - Legislative and Executive	7,607,848	1,226,928	5,882,619	344,864	110,253	43,184
General Government - Judicial						
Common Pleas Court	98,914	0	0	67,881	31,033	0
Probate/Juvenile Court	122,337	0	0	72,730	26,719	22,888
County Court	81,896	0	0	64,455	17,441	0
Clerk of Courts	188,269	0	0	105,102	37,192	45,975
Total General Government - Judicial	491,416	0	0	310,168	112,385	68,863
Public Safety						
Sheriff	5,766,766	0	4,345,077	932,915	1,066	487,708
Jail Kitchen	1,720	0	0	1,720	0	0
Total Public Safety	5,768,486	0	4,345,077	934,635	1,066	487,708
Public Works						
Engineers	1,886,706	0	208,954	751,813	9,041	916,898
Transportation	57,100	0	0	0	0	57,100
Recycling and Litter	87,840	0	0	68,410	4,430	15,000
Total Public Works	2,031,646	0	208,954	820,223	13,471	988,998
Human Services						
Veterans Services	54,765	0	0	21,212	11,654	21,899
Mental Retardation	6,726,921	0	5,270,995	277,866	271,080	906,980
Public Assistance	457,625	0	0	188,316	90,639	178,670
Child Support Enforcement	1,793,591	0	1,765,374	12,473	15,744	0
Victim Assistance	2,926	0	0	2,926	0	0
County Home	872,737	0	473,967	17,307	256,001	125,462
Total Human Services	9,908,565	0	7,510,336	520,100	645,118	1,233,011
Health						
Dog and Kennel	72,136	0	15,307	7,540	9,526	39,763
Total General Fixed Assets	\$25,880,097	\$1,226,928	\$17,962,293	\$2,937,530	\$891,819	\$2,861,527

Holmes County, Ohio
Schedule of Changes in General Fixed Assets
By Function and Activity
For the Year Ended December 31, 2002

Program and Fixed Asset Type	General Fixed Assets 1/1/2002	Additions	Deletions	General Fixed Assets 12/31/2002
General Government - Legislative and Executive				
Commissioners	\$6,374,000	\$811,969	\$773	\$7,185,196
Auditor	182,342	20,976	8,730	194,588
Treasurer	43,404	4,014	0	47,418
Prosecutor	30,851	0	0	30,851
License Bureau	7,068	595	0	7,663
Recorder	53,820	0	0	53,820
Board of Elections	29,665	0	0	29,665
Tax Map	40,315	18,332	0	58,647
Total General Government - Legislative and Executive	6,761,465	855,886	9,503	7,607,848
General Government - Judicial				
Common Pleas Court	98,914	0	0	98,914
Probate/Juvenile Court	109,418	21,319	8,400	122,337
County Court	81,896	0	0	81,896
Clerk of Court	146,289	41,980	0	188,269
Total General Government - Judicial	436,517	63,299	8,400	491,416
Public Safety				
Sheriff	5,670,127	96,639	0	5,766,766
Jail Kitchen	1,720	0	0	1,720
Total Public Safety	5,671,847	96,639	0	5,768,486
Public Works				
Engineers	1,852,700	52,939	18,933	1,886,706
Transportation	57,100	0	0	57,100
Recycling and Litter	78,422	9,418	0	87,840
Total Public Works	1,988,222	62,357	18,933	2,031,646
Human Services				
Veterans Services	50,388	4,377	0	54,765
Mental Retardation	6,595,741	213,744	82,564	6,726,921
Public Assistance	407,077	50,548	0	457,625
Child Support Enforcement	1,793,591	0	0	1,793,591
Victim Assistance	0	2,926	0	2,926
County Home	829,023	63,923	20,209	872,737
Total Human Services	9,675,820	335,518	102,773	9,908,565
Health				
Dog and Kennel	72,136	0	0	72,136
Construction in Progress	64,290	671,679	735,969	0
Total General Fixed Assets Allocated to Programs	\$24,670,297	\$2,085,378	\$875,578	\$25,880,097

Statistical Section

Statistical Section

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

Holmes County, Ohio
*Governmental Fund Revenues by Source and Expenditures by Function **
Last Ten Years

	2002	2001	2000	1999	1998	1997
Taxes	\$8,915,703	\$7,792,435	\$7,412,426	\$7,201,077	\$6,767,091	\$7,146,650
Charges for Services	2,767,583	3,010,099	3,412,975	3,288,293	2,957,982	2,735,017
Licenses and Permits	181,563	176,104	229,542	103,414	80,879	96,695
Fines and Forfeitures	365,747	337,478	226,374	285,717	285,153	253,483
Intergovernmental	9,692,574	10,924,701	11,611,980	10,535,452	9,251,639	8,472,586
Interest	443,219	727,070	881,550	668,613	601,051	531,718
Contributions and Donations	54,437	55,429	44,098	149,035	304,103	0
Rentals	52,198	49,931	56,367	39,545	46,228	78,023
Other	982,964	2,310,329	780,581	817,155	805,901	510,402
Total Revenues	<u>\$23,455,988</u>	<u>\$25,383,576</u>	<u>\$24,655,893</u>	<u>\$23,088,301</u>	<u>\$21,100,027</u>	<u>\$19,824,574</u>
General Government:						
Legislative and Executive	\$3,774,518	\$4,860,897	\$3,717,996	\$3,953,343	\$3,232,315	\$3,347,647
Judicial	1,249,785	1,038,722	1,319,260	1,337,266	1,257,178	1,117,124
Public Safety	2,993,221	2,484,096	2,823,469	2,491,039	2,547,591	2,253,933
Public Works	3,484,923	3,920,469	3,162,113	2,983,628	2,844,067	2,681,447
Health	142,226	141,375	126,965	118,637	119,974	119,241
Human Services	10,017,667	11,175,724	10,427,129	8,942,845	8,451,089	7,368,522
Conservation and Recreation	383,566	356,461	352,149	383,325	252,591	198,849
Other	0	0	0	0	0	0
Capital Outlay	820,433	1,313,245	1,996,047	1,481,756	651,773	2,339,437
Intergovernmental	221,316	399,602	217,344	199,637	212,702	135,285
Debt Service	0	10,475	190,015	11,388	12,484	12,480
Total Expenditures	<u>\$23,087,655</u>	<u>\$25,701,066</u>	<u>\$24,332,487</u>	<u>\$21,902,864</u>	<u>\$19,581,764</u>	<u>\$19,573,965</u>

* Includes General, Special Revenue, and Capital Projects Funds

Source: Holmes County Auditor

<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$6,838,549	\$6,575,465	\$6,205,302	\$5,460,280
2,283,348	2,530,573	2,020,279	1,773,429
113,730	97,823	128,531	180,344
142,185	148,546	71,686	72,926
6,983,455	7,193,639	8,234,364	7,206,256
480,039	460,525	353,908	269,443
0	0	0	0
63,997	68,971	131,076	30,524
<u>1,470,772</u>	<u>842,915</u>	<u>572,570</u>	<u>153,600</u>
<u>\$18,376,075</u>	<u>\$17,918,457</u>	<u>\$17,717,716</u>	<u>\$15,146,802</u>
\$3,541,989	\$2,896,653	\$2,468,167	\$2,509,170
820,592	562,244	548,762	649,004
2,429,037	2,605,770	1,730,906	1,284,569
3,096,336	2,720,178	2,768,693	2,836,431
120,249	98,028	84,859	72,697
6,383,471	6,003,764	5,809,128	5,560,350
280,295	220,604	242,323	227,196
0	1,061,782	594,054	358,250
905,035	847,958	4,537,331	3,345,706
0	0	0	0
<u>373,970</u>	<u>309,615</u>	<u>212,832</u>	<u>106,408</u>
<u>\$17,950,974</u>	<u>\$17,326,596</u>	<u>\$18,997,055</u>	<u>\$16,949,781</u>

Holmes County, Ohio
Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Collection Year	Real Property		Public Utility Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2002	\$508,176,530	\$1,451,932,943	\$26,123,690	\$29,686,011
2001	459,501,280	1,312,860,800	31,050,470	35,284,625
2000	444,440,590	1,269,830,257	30,901,320	35,115,136
1999	434,148,300	1,240,423,714	32,552,060	36,990,977
1998	356,106,550	1,017,447,286	33,131,020	37,648,886
1997	346,194,070	989,125,914	31,957,120	36,314,909
1996	333,072,990	951,637,114	34,606,030	39,325,034
1995	289,674,830	827,642,371	34,574,300	39,288,977
1994	274,129,900	783,228,286	35,255,710	40,063,307
1993	264,669,320	756,198,057	35,410,640	40,239,364

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 for capital assets and twenty-four percent for inventory.

Personal Property		Total	Total	Ratio
Assessed Value	Actual Value	Assessed Value	Estimated Actual Value	
\$97,525,080	\$390,100,320	\$631,825,300	\$1,871,719,274	33.76 %
94,995,000	379,980,000	585,546,750	1,728,125,425	33.88
90,085,880	360,343,520	565,427,790	1,665,288,913	33.95
86,891,610	347,566,440	553,591,970	1,624,981,131	34.07
80,618,640	322,474,560	469,856,210	1,377,570,732	34.11
72,988,730	291,954,920	451,139,920	1,317,395,743	34.24
69,326,670	277,306,680	437,005,690	1,268,268,828	34.46
62,377,900	249,511,600	386,627,030	1,116,442,948	34.63
53,294,390	213,177,560	362,680,000	1,036,469,153	34.99
47,053,106	188,212,424	347,133,066	984,649,845	35.25

Holmes County, Ohio
Property Tax Levies and Collections - Real and Public Utility Taxes
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy (1)</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes (2)</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2002	\$4,859,108	\$4,760,267	97.97 %	\$115,197	\$4,875,464	100.34 %	\$98,521	2.03 %
2001	4,138,311	4,053,472	97.95	78,199	4,131,671	99.84	78,400	1.89
2000	3,873,959	3,768,637	97.28	85,137	3,853,774	99.48	56,801	1.47
1999	3,787,965	3,728,243	98.42	71,257	3,799,500	100.30	83,360	2.20
1998	3,140,391	3,111,527	99.08	71,257	3,182,784	101.35	79,194	2.52
1997	3,065,229	2,867,235	93.54	78,508	2,945,743	96.10	164,116	5.35
1996	2,992,090	2,917,949	97.52	68,682	2,986,631	99.82	848,438	28.36
1995	2,766,953	2,692,903	97.32	81,537	2,774,440	100.27	697,938	25.22
1994	2,770,860	2,540,016	91.67	89,359	2,629,375	94.89	518,799	18.72
1993	2,586,893	2,447,654	94.62	98,490	2,546,144	98.42	492,295	19.03

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

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

Source: Holmes County Auditor

Holmes County, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years

Collection Year	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
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 County Rate	<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 County:										
East Holmes LSD	26.85	26.40	26.40	26.40	26.70	27.45	27.75	27.90	28.65	24.45
West Holmes LSD	34.10	36.10	36.10	36.10	36.30	37.60	37.70	32.10	32.60	28.00
Overlapping School Districts:										
Danville LSD	44.60	41.00	41.00	41.00	41.00	41.00	42.00	42.00	42.00	42.00
Garaway LSD	44.60	44.80	44.80	44.80	44.80	45.20	44.20	44.20	44.30	37.60
Loudonville-Perrysville EVSD	35.60	35.70	35.70	35.70	36.40	36.80	37.10	37.40	37.90	37.90
Southeast LSD	46.15	47.05	47.05	47.05	48.30	48.30	41.60	41.90	41.90	40.00
Triway LSD	45.20	42.20	42.20	42.20	42.20	42.20	42.20	42.20	42.20	42.40
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	1.80
Knox County	4.10	4.10	4.10	4.10	4.10	6.40	6.40	6.40	6.40	4.70
Ashland West Holmes	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Villages:										
Baltic	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	6.20	6.20
Glenmont	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Wayne	11.80	11.90	11.90	11.20	11.20	11.20	11.20	11.20	10.80	10.80
York	6.90	6.90	6.90	6.90	6.90	6.90	6.90	5.90	5.90	5.90
Holmesville	3.50	3.50	3.50	3.50	3.50	1.50	2.50	2.50	2.50	2.50
Killbuck	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Millersburg	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Nashville	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.60	3.60	3.60
Overlapping Villages:										
Loudonville	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80

(continued)

Holmes County, Ohio
Property Tax Rates - Direct and Overlapping Governments (continued)
(Per \$1,000 of Assessed Value)
Last Ten Years

Collection Year	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Townships:										
Berlin	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	6.55	6.55
Clark	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.35	5.35	5.35
Hardy	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Killbuck	6.65	6.65	6.65	6.65	6.65	6.65	5.40	5.40	5.40	5.40
Knox	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Mechanic	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Monroe	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Paint	7.10	6.60	6.60	6.60	6.60	4.60	4.60	4.60	4.60	4.60
Prairie	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Richland	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
Ripley	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Saltcreek	5.60	5.60	5.60	5.60	5.60	4.60	6.60	6.60	6.10	5.10
Walnutcreek	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	4.60	4.60
Washington	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Special Districts:										
Fire District #1	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Park District	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Western Holmes Fire District	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Knox County Library	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Clark Twp., Fire Department	2.00	2.00	2.00	2.00	1.75	1.75	1.75	0.00	0.00	0.00
East Holmes Fire & EMS District	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00

Source: Holmes County Auditor

Holmes County, Ohio
Tangible Tax Collections
Last Ten Years

<u>Year</u>	<u>Amount</u>
2002	\$1,262,797
2001	1,192,656
2000	1,106,852
1999	1,131,669
1998	986,484
1997	914,804
1996	893,023
1995	829,833
1994	677,729
1993	637,980

Source: Holmes County Auditor

Holmes County, Ohio
Computation of Legal Debt Margin
December 31, 2002

	Total Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Value of County Collection Year 2002 (3)	\$631,825,300	\$631,825,300
Debt Limitation	14,295,633	6,318,253
Total Outstanding Debt:		
General Obligations Bonds	5,605,000	5,605,000
Revenue Bonds	4,152,085	4,152,085
Total	9,757,085	9,757,085
Exemptions:		
General Obligations Bonds Paid from Rentals	1,033,266	1,033,266
General Obligations Bonds for Jail Construction	2,325,000	2,325,000
Enterprise Bonds	4,152,085	4,152,085
Amount Available in Debt Service Fund	103,492	103,492
Total Exemptions	7,613,843	7,613,843
Net Debt	2,143,242	2,143,242
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$12,152,391	\$4,175,011

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

Note - Does not include capital leases.

Source: Holmes County Auditor

Holmes County, Ohio
*Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net General Bonded Debt Per Capita
Last Nine Years*

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Debt Payable from Enterprise Revenues</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2002	38,943	\$631,825,300	\$9,757,085	\$103,492	\$4,152,085	\$5,501,508	0.87%	\$141.27
2001	38,943	585,546,750	10,574,000	170,582	4,698,000	5,705,418	0.97	146.51
2000	38,943	565,427,790	10,913,000	142,934	4,774,000	5,996,066	1.06	153.97
1999	38,295	553,591,970	11,225,000	97,600	4,846,000	6,281,400	1.13	164.03
1998	37,841	469,856,210	11,527,300	83,150	4,915,300	6,528,850	1.39	172.53
1997	37,373	451,139,920	9,412,000	53,257	4,980,000	4,378,743	0.97	117.16
1996	32,849	437,005,690	6,575,000	42,529	2,040,000	4,492,471	1.03	136.76
1995	32,849	386,627,030	6,712,000	39,391	2,076,000	4,596,609	1.19	139.93
1994	32,849	362,680,000	4,810,000	0	2,110,000	2,700,000	0.74	82.19

Source: Holmes County Auditor

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

Holmes County, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Obligation Bonded Debt to Total Governmental Fund Expenditures
 Last Nine Years (1)*

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Governmental Fund Expenditures	Ratio of Debt Service To Total General Fund Expenditures
2002	\$271,000	\$383,089	\$654,089	\$23,087,655	2.83%
2001	263,000	317,171	580,171	25,701,066	2.26
2000	240,000	328,032	568,032	24,332,487	2.33
1999	233,000	338,480	571,480	21,902,864	2.61
1998	220,000	330,202	550,202	19,581,764	2.81
1997	103,000	244,615	347,615	19,573,965	1.78
1996	101,000	249,107	350,107	17,950,974	1.95
1995	39,000	172,772	211,772	17,326,596	1.22
1994	0	0	0	18,997,055	0.00

Holmes County Auditor

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

Holmes County, Ohio
*Computation of Direct and Overlapping
 General Obligation Debt
 December 31, 2002*

Jurisdiction	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County (1)</u>	<u>Amount Applicable to County</u>
Direct:			
Holmes County	<u>\$5,605,000</u>	100%	<u>\$5,605,000</u>
Overlapping:			
Village of Loudonville	1,094,930	24.10	263,878
Garaway School District	1,575,000	2.16	34,020
Southeast School District	<u>450,000</u>	18.91	<u>85,095</u>
Total Overlapping	<u>3,119,930</u>		<u>382,993</u>
Total	<u><u>\$8,724,930</u></u>		<u><u>\$5,987,993</u></u>

Source: Holmes County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the subdivision.
- (2) School district data is presented on a fiscal year basis because that is the manner in which the information is maintained.

Holmes County, Ohio
Revenue Bond Coverage
Last Ten Years (1)

Year	Gross Revenue (2)	Operating Expenses Net of Depreciation Expense	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
Sewer District Enterprise Fund							
2002	\$889,662	\$747,582	\$142,080	\$30,000	\$155,375	\$185,375	0.77
2001	562,648	302,920	259,728	28,000	210,887	238,887	1.09
2000	610,872	240,806	370,066	27,000	146,300	173,300	2.14
1999	646,252	431,506	214,746	26,000	147,600	173,600	1.24
1998	557,954	410,479	147,475	25,000	145,919	170,919	0.86
Joel Pomerene Hospital Enterprise Fund							
2002	22,356,337	19,073,710	3,282,627	515,915	107,863	623,778	5.26
2001	18,993,566	16,789,333	2,204,233	48,000	121,299	169,299	13.02
2000	16,895,444	15,291,494	1,603,950	47,000	112,800	159,800	10.04
1999	16,994,498	15,197,119	1,797,379	43,000	115,328	158,328	11.35
1998	16,022,835	14,121,805	1,901,030	40,000	115,326	155,326	12.24
1997	15,397,291	13,093,266	2,304,025	37,000	119,850	156,850	14.69
1996	12,592,529	11,357,008	1,235,521	36,000	137,543	173,543	7.12
1995	11,367,399	10,398,314	969,085	34,000	141,320	175,320	5.53
1994	10,917,559	9,820,972	1,096,587	32,000	125,963	157,963	6.94
1993	9,917,668	9,418,423	499,245	30,000	126,428	156,428	3.19

Sources: Holmes County Auditor

- (1) 1998 was the first year debt service payments were made on the sewer revenue bond.
- (2) Includes operating revenues and interest income

Holmes County, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2002	38,943	4,635	3.6%
2001	38,943	4,580	2.4
2000	38,943	4,616	2.4
1999	38,295	4,606	2.4
1998	37,841	4,640	3.4
1997	37,373	4,745	3.3
1996	32,849	4,752	3.7
1995	32,849	4,708	3.2
1994	32,849	4,634	3.3
1993	32,849	4,477	3.9

Sources: (1) U.S. Census Bureau, Federal 1990
(2) Tri-County Educational Service Center
(3) Ohio Department of Job and Family

Holmes County, Ohio
Construction, Bank Deposits and Property Values
Last Ten Years

Year	New Construction			Real Property Value (1)			Bank Deposits (2)
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt	
2002	\$12,270,820	\$2,365,980	\$14,636,800	\$424,208,720	\$80,771,420	\$34,166,210	\$501,242
2001	12,425,850	4,038,620	16,464,470	381,349,720	74,258,490	29,950,190	510,726
2000	9,259,980	2,150,950	11,410,930	368,129,320	71,573,810	29,385,830	475,000
1999	9,628,550	1,051,610	10,680,160	358,679,900	69,687,480	24,524,040	458,339
1998	10,228,720	1,423,580	11,652,300	284,539,640	65,359,310	22,345,330	430,886
1997	10,639,870	3,551,870	14,191,740	275,756,210	63,882,910	20,197,600	418,105
1996	9,664,740	4,593,400	14,258,140	264,728,830	61,152,370	19,520,950	383,844
1995	8,706,240	5,033,120	13,739,360	224,817,470	56,467,470	19,321,730	359,973
1994	6,502,860	3,712,100	10,214,960	215,722,730	51,506,880	18,643,090	327,728
1993	5,837,590	2,616,960	8,454,550	212,233,520	47,006,480	18,470,980	303,928

Sources: Holmes County Auditor
Federal Reserve Bank - Cleveland, Ohio

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

Holmes County, Ohio
Principal Taxpayers - Property Tax
 December 31, 2002

Taxpayer	Type	Assessed Valuation	Percent of Total County Assessed Valuation
Columbia Gas	Public Utility	\$7,642,560	1.21 %
Owens Illinois Incorporated	Manufacturer	7,141,720	1.13
Ohio Power Company	Public Utility	5,666,020	0.90
Wayne Door Company	Manufacturer	4,992,630	0.79
Holmes Wayne Electric Cooperative Incorporated	Public Utility	4,477,340	0.71
United Telephone Company	Public Utility	3,552,680	0.56
Keim Lumber Company	Business	3,380,520	0.54
Merillat Corporation	Manufacturer	2,969,770	0.47
Walnut Hills Incorporated	Business	2,813,080	0.44
Alpine Cheese Incorporated	Manufacturer	<u>2,427,890</u>	<u>0.38</u>
Total		<u>\$45,064,210</u>	<u>7.13 %</u>
Total County Assessed Valuation		<u>\$631,825,300</u>	

Source: Holmes County Auditor

Holmes County, Ohio
Miscellaneous Statistics
December 31, 2002

Date of Incorporation	1825	Agriculture(3):	
1,729 Largest County in the United States (3,141 Counties in U.S.)		Number of Farms	1,620
		Average Size of Farm (Acres)	110
		Land in Farms (Acres)	179,000
County Seat: Millersburg, Ohio			
		Livestock (Head):	
Area - Square Miles	424	All Cattle	43,000
		Milk Cows	17,000
Number of Political Subdivisions Located in the County:		Hogs and Pigs	27,600
Townships	14	Sheep and Lambs	2,400
Villages	7		
School Districts	7		
Joint Vocational Schools	4	Crops (Acres):	
Library	1	Corn	17,900
Fire Districts	4	Wheat	3,000
Park District	1	Soybeans	13,100
		Oats	8,200
Road Mileage (1)		Hay	45,600
U.S. and State Highways	174.44		
County Highways	249.87	Agriculture Sales: (2001 Data)	
Township Highways	566.67	Poultry/Other Livestock Income	<u>\$34,366,000</u>
Communications:		Livestock Marketing Receipts	\$84,156,000
1 Radio Station - WKLM 95.3 FM		Crop Marketing Receipts	<u>8,946,000</u>
2 Weekly Newspaper - Holmes Co. Hub & Holmes County Journal		Total Cash Farm Marketing	<u><u>\$93,102,000</u></u>
Voter Statistics, Election of November 2002 (2):		Average Cash Receipts per Farm	\$55,700
Number of Registered Voters	16,633		
Number of Voters, Last General Election	6,597		
Percentage of Registered Voters Voting	39.66%		

level of production ranks third in the State of Ohio.

Holmes County produces 241,300,000 pounds of milk a year
This level of production ranks third in the State of Ohio.

Sources

- (1) Holmes County Engineer
- (2) Holmes County Board of Elections
- (3) Holmes County Ohio State University Extension
- All other information obtained from County Records



**Auditor of State
Betty Montgomery**

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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
JULY 22, 2003**