

Mary Taylor, CPA
Auditor of State

HOLMES COUNTY
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Mary Taylor, CPA

Auditor of State

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

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 13, 2008 in which we noted the financial statements of the County's Enterprise Hospital major fund were audited by other auditors. We also noted the County Home's Auxiliary activity in the County Home Fund was removed and the County increased their capital asset capitalization threshold from \$2,500 to \$5,000. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

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

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

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal controls over financial reporting: 2007-002 through 2007-004.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding numbers 2007-003 and 2007-004 are also material weaknesses.

We also noted certain internal control matters that we reported to the County's management in a separate letter dated June 13, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated June 13, 2008.

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

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



Mary Taylor, CPA
Auditor of State

June 13, 2008



Mary Taylor, CPA

Auditor of State

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

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

Compliance

We have audited the compliance of Holmes County, Ohio, (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2007. The summary of auditor's results section of the accompanying Schedule of Findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of Joel Pomerene Hospital, which expended \$1,697,486 in federal awards which is not included in the Schedule of Federal Awards for the year ended December 31, 2007. Our audit of Federal awards, described below, did not include the operations of Joel Pomerene Hospital because the Hospital engaged another auditor to audit its Federal award programs in accordance with OMB Circular A-133.

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

In our opinion, Holmes County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2007.

In a separate letter to the County's management dated June 13, 2008, we reported a matter related to federal noncompliance not requiring inclusion in this report.

Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A material weakness is significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated June 13, 2008.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of Holmes County, Ohio as of and for the year ended December 31, 2007, and have issued our report thereon dated June 13, 2008, which indicated that the financial statements of Joel Pomerene Hospital, were audited by other auditors, and our opinion, insofar as it relates to the amounts included for this department, is based on the report of other auditors. We also noted the County Home's Auxiliary activity in the County Home Fund was removed and the County increased their capital asset capitalization threshold from \$2,500 to \$5,000. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Mary Taylor, CPA
Auditor of State

June 13, 2008

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HOLMES COUNTY
FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education:</i>			
<i>Special Education Cluster:</i>			
Special Education Grants to States	066403-6BSF-2007	84.027	\$70,312
Special Education Preschool Grants	066043-PGSI-2007	84.173	39,969
Total Special Education Cluster			110,281
State Grants for Innovative Programs	066043-C2S1-2007	84.298	42
<i>Passed through the Ohio Department of Health:</i>			
Special Education Grants for Infants and Families with Disabilities	38-1-002-1-EG-06	84.181	47,700
Total U.S. Department of Education			158,023
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Direct:</i>			
Community Development Block Grants/State's Program	B-F-05-035-1	14.228	8,960
Community Development Block Grants/State's Program	B-C-04-035-1		93,095
Community Development Block Grants/State's Program	B-F-06-035-1		179,000
Total Community Development Block Grants/State's Program			281,055
HOME Investment Partnerships Program	B-C-06-035-2	14.239	152,033
Total U.S. Department of Housing and Urban Development			433,088
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the Ohio Department of Mental Retardation and Development Disabilities:</i>			
Social Services Block Grant	N/A	93.667	21,622
Medical Assistance Program	N/A	93.778	579,267
Total U.S. Department of Health and Human Services			600,889
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Education:</i>			
National School Lunch Program	N/A	10.555	4,592
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job and Family Services:</i>			
<i>WIA Cluster:</i>			
WIA Adult Program	N/A	17.258	72,108
WIA Adult Program - Admin.	N/A	17.258	4,136
WIA Youth Activities	N/A	17.259	41,010
WIA Youth Activities - Admin.	N/A	17.259	2,306
WIA Dislocated Workers	N/A	17.260	26,811
WIA Dislocated Workers - Admin.	N/A	17.260	1,511
Total Workforce Investment Act Cluster			147,882
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Ohio Department of Transportation:</i>			
State and Community Highway Safety Grant	HVEC-2007-38	20.600	12,143
Federal Aviation Administration (FAA)			
<i>Direct:</i>			
Airport Improvement Program	3-39-0056-07	20.106	9,989
Airport Improvement Program	3-39-0056-06		20,301
Total Federal Aviation Administration (FAA)			30,290
Total U.S. Department of Transportation			42,433
Total			\$1,386,907

The accompanying notes are an integral part of this schedule.

HOLMES COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

HOLMES COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant: 14.228 Medicaid: 93.778
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

FINDING NUMBER 2007-001

Noncompliance

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditures of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the County can authorize the drawing of a warrant for the payment of the amount due. The County has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$100 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the County.
2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

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

FINDING NUMBER 2007-001 (Continued)

Noncompliance (Continued)

17 of the 47 (36%) expenditures tested were not certified by the County Auditor prior to incurring the obligation. Of these expenditures, 16 expenditures improperly used "then and now" certifications as none of them were authorized by the County's fiscal officer. Additionally, 13 of these 16 expenditures were for more than \$100 and required the Board of Commissioners to approve them by resolution or ordinance. Board of Commissioners did not issue resolutions to approve any of these "then and now" certificates.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the County Auditor should certify that funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used as directed by the Ohio Revised Code Section 5705.41(D)

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

Officials' Response: A "Then and Now" certificate program was put in place the first of 2007 by the Audit Committee. The procedures were followed per State Auditor suggestions. Purchase orders were returned to departments when the purchase was made prior to encumbering the funds. The elected official/department head would then write and sign an explanation as to why the purchase was made prior to setting aside the funds. The "Then and Now" statements was on the original document signed by the auditors office and approved by the commissioners in their weekly business meetings.

AOS Conclusion: Ohio Revised Code Section 5705.41(D)(1) indicates that "this certificate need be signed only by the subdivision's fiscal officer". Thus, attaching an unsigned "Then and Now" certificate is not sufficient.

FINDING NUMBER 2007-002

Significant Deficiency

County Vacation and Sick Leave Policy, Reconciliation and Reporting

Current practice employed by each County department is to maintain employee sick and vacation leave records which include leave forms, leave earned, leave used, and leave balances and any doctor's excuse when necessary. County employees are required to submit a doctor's note when 2 or more consecutive work days are missed. Additionally, each employee fills out a bi-weekly timesheet documenting regular hours worked and sick or vacation leave taken, if applicable. Each County Departmental Supervisor subsequently transfers the respective employee's hours, including leave taken, for the pay period onto a Payroll Transmittal Report for submission to Data Processing. Subsequent to each pay period, Data Processing remits leave balances, usages and accruals to each County department for their respective employees. This procedure is performed so each County department can reconcile leave balances, usages and accruals to Data Processing for completeness and accuracy. During testing of sick and vacation leave balances, usage and accruals for certain employees, the following issues were noted:

FINDING NUMBER 2007-002(Continued)

Significant Deficiency

County Vacation and Sick Leave Policy, Reconciliation and Reporting (Continued)

- For certain County departments tested, sick and vacation leave balances are maintained at 2 decimal places while Data Processing maintains sick and vacation leave balances at 4 decimal places. As a result, unreconciled differences existed.
- For 1 employee tested, Data Processing utilized a vacation accrual rate of 2.5 hours rather than 3.1 hours for one pay period in order not to exceed 80 hours of accrued vacation for the year. However, the County Commissioners policy permits 3.1 hours to be accrued each pay period for a total of 80.6 hours. While the intent of the vacation policy is for each eligible employee to earn 80 hours of vacation, the County Commissioner's vacation policy should be revised to ensure no more than 80 hours of vacation should be accrued for those employees with 1 to 8 years of service. This resulted in an understatement of .6 hours of accrued vacation. Data Processing has subsequently corrected this error.
- For certain County departments tested, vacation and sick leave usage is not recorded on the bi-weekly Payroll Transmittal Report for submission to Data Processing.
- During testing of the County Prosecutor Department's sick and vacation leave records, it was noted that a certain employee's bi-weekly vacation accrual rate was recorded at 5.75 hours rather than at the permitted rate of 7.7 hours. Further review revealed this employee's vacation accrual was incorrect since 2003. As a result, an understatement of 50.7 hours existed as of December 31, 2007.
- County Commissioners adopted an updated Personnel Policy Manual on September 1, 2007; however, not all County departments adhere to this policy. In those instances, those departments utilize internally developed departmental personnel policies. In one instance, a certain department claimed to have a personnel policy that addressed sick and vacation leave; however, no policy was produced.
- For certain employees tested, a doctor's excuse was not evident when 2 or more consecutive days of sick leave were used.

As a result, sick and vacation leave balance, usage and accrual errors existed and were not always detected in a timely manner.

For the future, the following should be considered for implementation:

- Data Processing and the County departments should maintain sick and vacation leave balances at the same number of decimal places.
- Each County department should reconcile departmental sick and vacation leave balances, usage and accrual records to Data Processing's sick and vacation leave balances, usage and accrual records for each pay period.
- The County Commissioners should consider maintaining County employee's sick and vacation records in one central location such as Data Processing. However, if the County Commissioners continue the current practice of maintaining departmental and Data Processing sick and vacation leave records, the County Commissioners should ensure all County departments adhere to County policy (i.e., properly completing the Payroll Transmittal Report).
- County departments should adhere either to the County Personnel Policy Manual or if an internally developed departmental sick and vacation leave policy was created, the department should follow that policy. In the absence of a departmental sick and vacation leave policy, the department should revert to the County sick and vacation leave policy.

This will help ensure sick and vacation leave balance, usage and accrual errors are detected and corrected in a timely manner.

FINDING NUMBER 2007-002(Continued)

Significant Deficiency

County Vacation and Sick Leave Policy, Reconciliation and Reporting (Continued)

Officials' Response: Per previous audit report suggestions, Data Processing is tracking sick/vacation leave with payroll software set to the Personnel Policy Manual. It is the responsibility of the departments to report accurate used sick/vacation leave and to reconcile with Data Processing. The elected official/department head signs off on each pay period report submitted that it is accurate information. The elected official/department head is given a current sick/vacation leave accrual report for all employees each pay period. The commissioners will review the personnel policy manual to correct discrepancies in vacation accrual rates.

FINDING NUMBER 2007-003

Material Weakness and Significant Deficiency

Capital Assets Listings and Reporting

During our testing, we noted certain assets purchased and deleted during 2007 were not capitalized or removed from the County Auditor's Fixed Asset Inventory Report. These assets included land, equipment, vehicles, and infrastructure ranging in amounts up to \$450,000 and \$250,000 for the additions and deletions, respectively. Also, the County's GAAP converters maintain a master capital assets listing which includes infrastructure. The County Auditor's Office maintains a Fixed Asset Inventory Report which does not include infrastructure. Upon review of each capital asset listing an unreconciled difference totaling \$1,725,303 existed. Also, the financial statements and the GAAP converters capital asset listing did not reconcile by a net difference totaling \$370,000. The result of the unreconciled differences can primarily be attributed to prior financial statement adjustments not updated on either the GAAP converters or the County Auditor's respective asset listings.

The Holmes County Auditor's Office should verify all capital assets are included on the "Fixed Asset Inventory Report" as well as perform a thorough review of all capital assets maintained by each department within the County. In addition, the County Auditor's Office and County Commissioners should consider performing a re-evaluation of all County capital assets. This will help ensure the County's capital asset listing is complete and accurate and reconciles to the amounts reported on the financial statements. Additionally, the GAAP converters have maintained a listing of Holmes County's infrastructure. The Holmes County Auditor's Office should maintain a list of infrastructure and reconcile that list to the GAAP converters.

The County Auditor's Office and County Commissioners should implement a system that is more thorough at reviewing expenditure records and identifying, tracking and recording items that qualify as capital assets. Lastly, the County Auditor's Office and County Commissioners should consider updating the current Capital Asset Policy to ensure it addresses items such as the definition of a capital asset and infrastructure, useful life for each class of capital asset, who is responsible for maintaining and tracking capital assets, etc. This will help ensure a complete and accurate capital asset listing is maintained.

Officials' Response: All departments are required to report assets \$5000 and more as purchased to the auditor's office. A program to report the assets is in place. The auditor's office strives to ensure that all capital assets are reported in the Comprehensive Annual Financial Report (CAFR). This is not an easy task as it requires the cooperation of all departments in the County to report additions and disposals to the auditor's office. Infrastructure has been tracked separately in past years.

In an effort to constantly improve capital asset reporting, the County will update its Capital Asset Policy and address items such as definitions, useful lives, classes of assets, departmental responsibilities, etc. The audit committee will re-educate departments on the procedures to track capital expenditures.

FINDING NUMBER 2007-004

Material Weaknesses and Significant Deficiency

Financial Reporting

As a result of audit procedures performed, errors were noted in the County's financial statements and GAAP conversion that required audit adjustments and reclassifications as follows:

- Numerous receipts throughout various funds were initially recorded in a receipt classification that did not correspond to the type of receipt. For example, receipts that would qualify as an Intergovernmental, Donations, Sale of Assets or Charges for Services receipt were originally recorded as Other; receipts that would qualify as Intergovernmental was originally recorded as Charges for Services; receipts that would qualify as Transfers In was originally recorded as Charges for Services. These reclassifications ranged in amounts of roughly \$8,000 to \$828,000.
- Numerous GAAP adjustments throughout various funds for the over/understatement of various assets and liabilities were noted during testing. A few examples would include: the landfill post closure liability was understated by roughly \$9,300 in the County Disposal Fund, Taxes Receivable was overstated by roughly \$220,000 in the MRDD Fund, Due From Other Governments was understated by roughly \$822,000 in the MVGT Fund and Accounts Receivable were understated by roughly \$144,600 in the Transportation Fund.

Sound financial reporting is the responsibility of the County Auditor and County Commissioners and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

To help ensure the County's financial statements and notes to the financial statements are complete and accurate, the County should adopt policies and procedures, including a final review of the statements and notes by the County Auditor and County Commissioners, to identify and correct errors and omissions.

Official's Response: Fiscal accountability and the handling and reporting of receipts and disbursements are one of the primary focuses of the county auditor's office. Due to a new requirement (SAS 112) the reporting of these reclassifications for the County's financial statement is now required. This pertains to cash classifications by the departments. There was no misreporting of cash, just misclassifications according to the State Auditors. For example a department might have receipted revenue in an "other" line item. The State Auditors may now reclassify "other". This has no effect on the overall cash position or the net assets of the County at year-end. Once the auditor's office is made aware of these misclassifications, efforts will be made to assist the departments in preventing the misclassifications from occurring in the future.

External financial reporting is a top priority of the County and of the audit committee. This is demonstrated by the County's preparation of a CAFR. We will make every effort to ensure that information accumulated for the preparation of the GAAP basis financial statements is complete and accurate. We agree that some of the proposed adjustments are required; however, we are not convinced certain other requested proposed adjustments are significant enough to affect a reader of the financials statements opinion as to the financial position of the County. The County's governmental activities reported net assets of over \$30 million at December 31, 2007. Regardless, the requested adjustments will be posted and the County will implement a policy allowing for a final review of the financial statements by both the County Auditor and the County Commissioners.

AOS Conclusion: We did not consider certain adjustments to be material to the County's 2007 basic financial statements. However, accounting for capital assets is an intricate process and there is an increased risk that the aggregated unadjusted errors could become material to future financial statements. Considering the complexity of retroactively adjusting capital asset errors in future years, we advised the County to post these adjustments to the current year audited financial statements.

HOLMES COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A -133 § .505
 DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2006-001	Ohio Rev. Code Section 5705.41 (D), 28% of the expenditures were not properly certified.	No	See Finding number 2007-001 in the Schedule of Findings.
2006-002	A Holmes County Engineers employee was overpaid in a severance payment at retirement by \$424.95.	Yes	Corrected. The former employee repaid the overpayment amount of \$424.95 prior to the completion of the 2006 audit.
2006-003	Capital Assets Additions – the county needs to ensure completeness and accuracy of the capital assets.	No	See Finding number 2007-003 in the Schedule of Findings.
2006-004	Cash Management, Homeland Security monies were not disbursed within 30 days.	Yes	Corrected.
2006-005	Project Cash Request, were completed using the purchase order amount instead of the actual cost.	Yes	Corrected.
2006-006	Period of Availability of Federal funds – unspent funds were repaid.	Yes	Corrected.
2006-007	Homeland Security Grant Accounting Records and Support Documentation – grant documentation was not always maintained nor available by the Holmes County EMA.	Yes	Corrected.
2006-008	Equipment and Real Property Management – the EMA master inventory listing was not updated for equipment.	Yes	Corrected.
2006-009	Monitoring controls – EMA maintained no documentation that they reconciled with the County Auditor's records.	Yes	Corrected.

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-010	Homeland Security Grant Funds – the County had not established a separate sub-account within the fund to separately track the grants by year or type.	Yes	Corrected.
2006-011	Community Development Block Grant Program 15 Day Rule – The County maintained an amount greater than \$5,000 for longer than 15 days.	Yes	Not Corrected. See Management Letter Comment.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

HOLMES COUNTY, OHIO

FOR THE

YEAR ENDED DECEMBER 31, 2007

PREPARED BY
AUDITOR'S OFFICE
JACKIE MCKEE, AUDITOR

HOLMES COUNTY, OHIO

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HOLMES COUNTY, OHIO

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HOLMES COUNTY, OHIO

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INTRODUCTORY SECTION

Jackie McKee

Holmes County Auditor

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

June 13, 2008

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

The Citizens of Holmes County:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Holmes County (the "County") for the year ended December 31, 2007. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. This report is being presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis-for State and Local Governments."

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

Ohio law requires independent audits to be performed on all financial operations of the County either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. The Auditor of State's office performed the audit for the year ended December 31, 2007.

As a part of the County's independent audit, considerations are made to assess the internal control structure in relation to the financial statements, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations.

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

The Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units". The basic financial statements contained within this CAFR include all funds, agencies, boards, and commissions for which the County (the reporting entity) is financially accountable. The County provides a wide range of general government services to its residents which include: human and social services, health and community assistance related services, civil and criminal justice systems, road and bridge maintenance and other general legislative and administrative support service. In addition, the County operates certain enterprise funds, which include a water district, a sewer district, County disposal (landfill) and a hospital.

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

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

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

The County is also associated with the following organizations:

Joint Ventures Without Equity Interest

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

Jointly Governed Organizations

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

Public Entity Risk Pools

County Risk Sharing Authority, Inc.
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

Related Organizations

Holmes County Public Library
Holmes County Park District
Northeast Ohio Outreach Network

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

Holmes County District Board of Health
Holmes County Soil and Water Conservation District

The operations of the two above mentioned agencies have been excluded from the County's basic financial statements, but the funds held on their behalf in the County Treasury are included in the agency funds. A complete discussion of the County's reporting entity is provided in Note 2.A. of the basic financial statements.

The County and Form of Government

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

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

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

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

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

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

Economic Condition and Outlook

Holmes County is a predominantly rural county and has no large metropolitan or densely populated areas. Manufacturing, farming and tourism are the biggest contributors to the County's economy. Much of the manufacturing economy is the result of small scale operations, particularly in woodworking, that are often called "cottage industries". As in many rural areas, farmland preservation has become an issue in the County, and its effect on the future development of all segments of an area's economy cannot be ignored. With one of the lowest rates of unemployment in the State of Ohio, durable farming and tourism industries and a healthy base of cottage and light industry, the Holmes County economy is well positioned to face the challenges of future budget issues. Holmes County's annual population estimates also show the County to be in the top 10 fastest growing communities in the State.

2007 was the fourteenth year in which a hotel/motel bed tax was put into effect on a County level. County Commissioners passed a resolution effective June 1, 2001, increasing the bed tax 2 percent to a total of 3 percent. The additional 1 percent goes directly to Travel and Tourism Bureau and the other 1 percent is set aside in a Travel and Tourism fund to be used for Bed Tax Grants. Monies collected in 2007 for the bed tax increased compared to the previous year; \$343,326 in 2006 to \$378,678 in 2007.

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

MAJOR INITIATIVES

Current

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

Millersburg Waste Water Treatment Plant - Increase capacity

Walnut Creek Waste Water Treatment Expansion - Increase capacity

Joel Pomerene Hospital - \$500,000 facility improvement

Rails to Trails - Trail from Wal-Mart to Killbuck completed

Future

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

Millersburg Storm Drainage Improvement

Millersburg Well Field Development

Rails To Trails - Glenmont Extension

Walnut Creek Waste Water Treatment - Phase 2

Walnut Creek Sidewalks

Community of Berlin SR 62 – Roadway Improvement/Streetscape

Glen Drive to Wal-Mart sidewalks

The County in a joint effort through the GIS department will embark on a network system connecting all County offices. The county has active enterprise zones with Wayne Dalton, Ontario System, Walnut Creek Foods, and Yoder Lumber.

Basis of Accounting

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

The measurement focus on the County's proprietary funds is on the flow of total economic resources (all assets and liabilities). The accrual basis of accounting (revenues are recognized when earned and expenses when incurred) is utilized by the County in its proprietary and agency funds. The government-wide financial statements, including governmental activities, are also prepared using the accrual basis of accounting.

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

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

Internal Controls

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

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

Budgetary Controls

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

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of and for the year ended December 31, 2007, by independent auditor, Mary Taylor, Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133.

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

Awards

The Governmental Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Holmes County, Ohio, for its comprehensive annual financial report for the year ended December 31, 2006. This was the fifteenth consecutive year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, the government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both GAAP and all applicable legal requirements.

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

Acknowledgments

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

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

Sincerely,

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

Jackie McKee
Holmes County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Holmes County Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emer

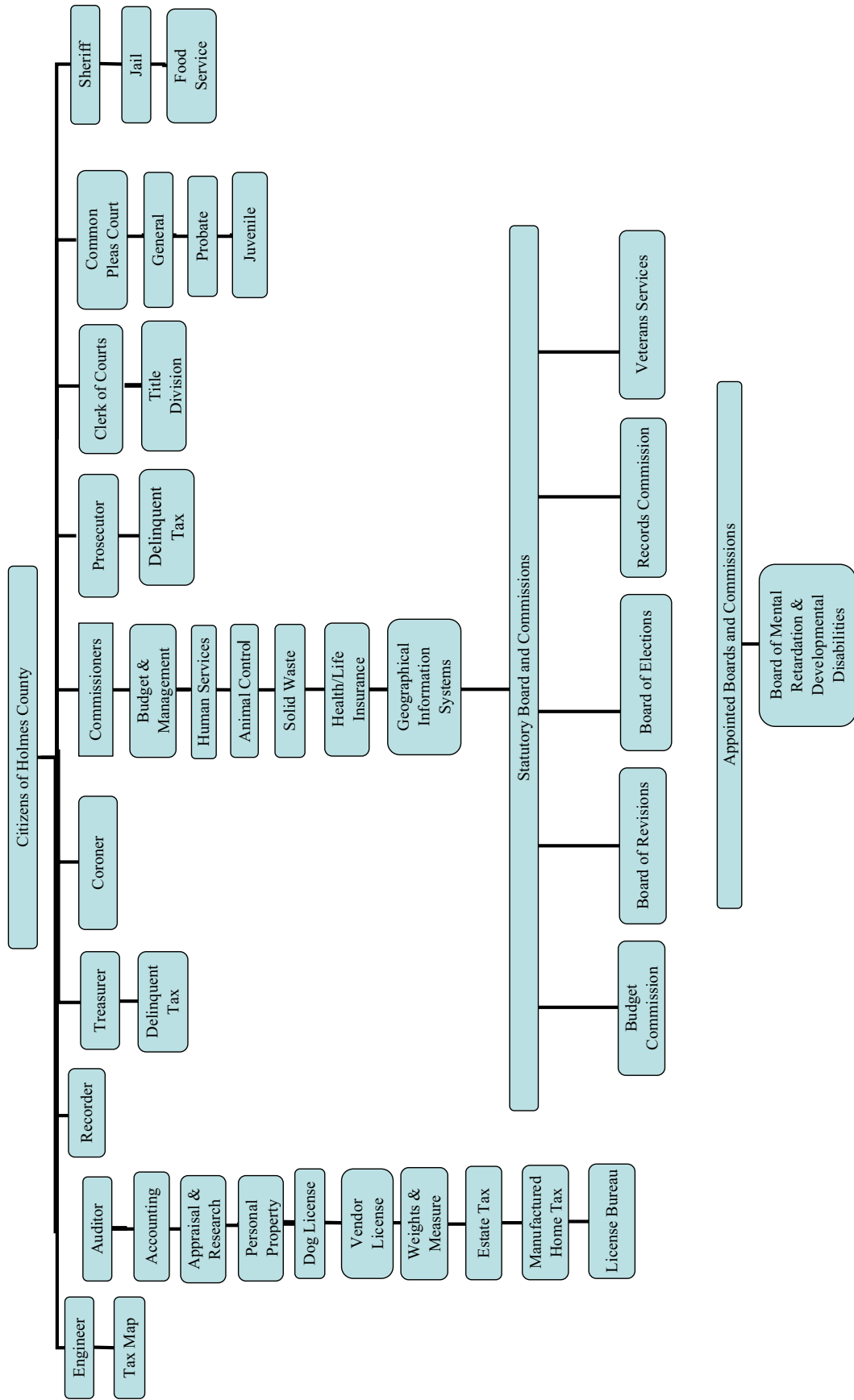
Executive Director

HOLMES COUNTY, OHIO

**ELECTED OFFICIALS
DECEMBER 31, 2007**

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

**HOLMES COUNTY, OHIO
ORGANIZATION CHART**



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FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Holmes County
2 Court Street
Millersburg, Ohio 44654

To the County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Joel Pomerene Hospital, a major Enterprise Fund, which represent 81 percent, 102 percent and 98 percent, respectively, of the assets, net assets and revenues of the County's business-type activities. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for Joel Pomerene Hospital on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Holmes County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable cash flows, thereof and the respective budgetary comparisons for the General, Special Revenue County Board of MR/DD, Motor Vehicle License and Gas Tax, County Home and Public Assistance Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3 to the basic financial statements, the County has removed the activity of the Holmes County Home Auxiliary in the County Home Fund and increased the capital asset capitalization threshold from \$2,500 to \$5,000. Fund balance/net assets at January 1, 2007 have been restated as a result of the deletion of this segregated account and increase in capitalization threshold from \$2,500 to \$5,000.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Mary Taylor, CPA
Auditor of State

June 13, 2008

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 (UNAUDITED)

The management's discussion and analysis of Holmes County's (the "County") financial performance provides an overall review of the County's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- The total net assets of the County decreased \$616,845. Net assets of governmental activities decreased \$538,392, which represents a 1.66% decrease over fiscal year 2006. Net assets of business-type activities decreased \$78,453 or 0.33% from fiscal year 2006.
- General revenues accounted for \$13,125,337 or 40.44% of total governmental activities revenue. Program specific revenues accounted for \$19,334,265 or 59.56% of total governmental activities revenue.
- The County had \$32,997,994 in governmental activities expenses; \$19,334,265 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$13,125,337 were not adequate to provide for these programs.
- The general fund, the County's largest major governmental fund, had revenues of \$10,054,714 in 2007, a decrease of \$176,561 or 1.73% from 2006 revenues. The general fund, had expenditures and other financing uses of \$10,627,739 in 2007, an increase of \$469,301 or 4.62% from 2006. The net changes in revenues and expenditures contributed to the general fund balance decrease of \$573,025 or 33.19% from 2006 to 2007.
- The county board of mental retardation and developmentally disabled (MR/DD) fund, a major governmental fund, had revenues and other financing sources of \$5,537,334 in 2007, an increase of \$8,976 or 0.16% from 2006 revenues. The county board of MR/DD fund, had expenditures and other financing uses of \$5,843,901 in 2007, an increase of \$469,170 or 8.73% from 2006. The net changes in revenues and expenditures contributed to the county board of MR/DD fund balance decrease of \$306,567 or 13.90% from 2006 to 2007.
- The motor vehicle license and gas tax fund, a major governmental fund, had revenues and other financing sources of \$4,537,537 in 2007, an increase of \$362,337 or 8.68% from 2006 revenues. The motor vehicle license and gas tax fund, had expenditures of \$5,487,237 in 2007, an increase of \$695,640 or 14.52% from 2006. The increase in revenues and the larger increase in expenditures contributed to the motor vehicle license and gas tax fund balance decrease of \$949,700 or 44.37% from 2006 to 2007.
- The county home fund, a major governmental fund, had revenues of \$1,634,787 in 2007. The county home fund, had expenditures of \$1,533,535 in 2007. The county home fund balance increased \$101,252 or 40.74% from 2006 to 2007.
- The public assistance fund, a major governmental fund, had revenues and other financing sources of \$4,018,003 in 2007. The public assistance fund had expenditures of \$4,181,077 in 2007. The public assistance fund balance decreased \$163,074 or 17.92% from 2006 to 2007.
- Net assets for the business-type activities, which are made up of the sewer district, east Holmes water, county disposal and Joel Pomerene Hospital enterprise funds, decreased in 2007 by \$78,453 or 0.33%. This decrease in net assets was mainly due to insufficient charges for services revenue to cover operating expenses.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 (UNAUDITED)

- In the general fund, the actual revenues came in \$682,433 higher than they were originally budgeted and actual expenditures and financing uses were \$544,290 higher than the amount in the original budget. These variances are a result of the County's conservative budgeting process.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities answer the question, "How did we do financially during 2007?" These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the County is divided into two distinct kinds of activities:

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

Business-type activities - these services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

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

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 (UNAUDITED)

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds.

The County's major governmental funds are the general fund, motor vehicle license and gas tax, county board of mental retardation and developmentally disabled (MR/DD), county home and public assistance. The County's major enterprise funds are the sewer district, county disposal and Joel Pomerene Hospital. The analysis of the County's major governmental and proprietary funds begins on page F11.

Governmental Funds

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages F22-F28 and the budgetary statements for the general and major special revenue funds can be found on pages F29-F33 of this report.

Proprietary Funds

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

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F43-F90 of this report.

Government-Wide Financial Analysis

The statement of net assets provides the perspective of the County as a whole. Net assets at January 1, 2007 have been restated as discussed in Note 3.C. to the financial statements. The table below provides a summary of the County's net assets for 2007 and 2006.

	Net Assets					
	Governmental	Business-type	(Restated)	(Restated)	2007	(Restated)
	Activities	Activities	Governmental	Business-type		
2007	2007	Activities	Activities	2006	2006	
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 20,364,569	\$ 14,658,329	\$ 20,353,856	\$ 17,431,796	\$ 35,022,898	\$ 37,785,652
Capital assets	<u>24,606,817</u>	<u>19,298,975</u>	<u>24,842,421</u>	<u>15,278,997</u>	<u>43,905,792</u>	<u>40,121,418</u>
Total assets	<u>44,971,386</u>	<u>33,957,304</u>	<u>45,196,277</u>	<u>32,710,793</u>	<u>78,928,690</u>	<u>77,907,070</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	5,389,095	7,055,456	5,463,498	6,317,381	12,444,551	11,780,879
Other liabilities	<u>7,630,342</u>	<u>3,069,555</u>	<u>7,242,438</u>	<u>2,482,666</u>	<u>10,699,897</u>	<u>9,725,104</u>
Total liabilities	<u>13,019,437</u>	<u>10,125,011</u>	<u>12,705,936</u>	<u>8,800,047</u>	<u>23,144,448</u>	<u>21,505,983</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	20,491,817	16,283,658	20,420,421	12,309,621	36,775,475	32,730,042
Restricted	10,044,588	1,300,072	10,309,360	1,694,355	11,344,660	12,003,715
Unrestricted	<u>1,415,544</u>	<u>6,248,563</u>	<u>1,760,560</u>	<u>9,906,770</u>	<u>7,664,107</u>	<u>11,667,330</u>
Total net assets	<u>\$ 31,951,949</u>	<u>\$ 23,832,293</u>	<u>\$ 32,490,341</u>	<u>\$ 23,910,746</u>	<u>\$ 55,784,242</u>	<u>\$ 56,401,087</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the County's assets exceeded liabilities by \$55,784,242. This amounts to \$31,951,949 in governmental activities and \$23,832,293 in business-type activities. The County's finances remained strong during 2007, despite the decline in the economy.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the County's assets. At year-end, capital assets represented 55.63% of total governmental and business-type assets. Capital assets include land, buildings and improvements, furniture, fixtures and equipment, vehicles, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2007, were \$36,775,475. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2007, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. A portion of the County's governmental activities net assets, \$10,044,588 or 31.44%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental activities unrestricted net assets of \$1,415,544 may be used to meet the government's ongoing obligations to citizens and creditors.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

The table below shows the changes in net assets for fiscal year 2007 and 2006.

	Change in Net Assets					
	Governmental Activities 2007	Business-type Activities 2007	Governmental Activities 2006	Business-type Activities 2006	2007 Total	2006 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 6,144,930	\$ 34,368,261	\$ 5,418,336	\$ 30,570,768	\$ 40,513,191	\$ 35,989,104
Operating grants and contributions	13,166,135	2,468,975	10,857,243	-	15,635,110	10,857,243
Capital grants and contributions	<u>23,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,200</u>	<u>-</u>
Total program revenues	<u>19,334,265</u>	<u>36,837,236</u>	<u>16,275,579</u>	<u>30,570,768</u>	<u>56,171,501</u>	<u>46,846,347</u>
General revenues:						
Property taxes	6,037,333	-	6,240,765	-	6,037,333	6,240,765
Sales tax	4,494,403	-	4,271,824	-	4,494,403	4,271,824
Unrestricted grants	1,230,309	-	1,034,329	-	1,230,309	1,034,329
Investment earnings	630,303	310,355	609,078	353,162	940,658	962,240
Employee lease revenue	-	-	-	1,358,879	-	1,358,879
Other	<u>732,989</u>	<u>147</u>	<u>1,631,750</u>	<u>104,995</u>	<u>733,136</u>	<u>1,736,745</u>
Total general revenues	<u>13,125,337</u>	<u>310,502</u>	<u>13,787,746</u>	<u>1,817,036</u>	<u>13,435,839</u>	<u>15,604,782</u>
Total revenues	<u>32,459,602</u>	<u>37,147,738</u>	<u>30,063,325</u>	<u>32,387,804</u>	<u>69,607,340</u>	<u>62,451,129</u>
Expenses						
Program Expenses:						
General government						
Legislative and executive	4,989,338	-	4,835,372	-	4,989,338	4,835,372
Judicial	1,836,904	-	1,635,998	-	1,836,904	1,635,998
Public safety	4,258,581	-	3,615,617	-	4,258,581	3,615,617
Public works	7,723,877	-	5,440,623	-	7,723,877	5,440,623
Health	243,377	-	185,419	-	243,377	185,419
Human services	13,256,225	-	12,375,027	-	13,256,225	12,375,027
Conservation and recreation	457,733	-	320,920	-	457,733	320,920
Intergovernmental	-	-	227,200	-	-	227,200
Interest and fiscal charges	231,959	-	245,809	-	231,959	245,809
Sewer District	-	904,511	-	897,629	904,511	897,629
County Disposal	-	792,330	-	566,513	792,330	566,513
Joel Pomerene Hospital	-	35,520,544	-	30,651,830	35,520,544	30,651,830
Nonmajor:						
East Holmes Water	<u>-</u>	<u>8,806</u>	<u>-</u>	<u>5,273</u>	<u>8,806</u>	<u>5,273</u>
Total expenses	<u>32,997,994</u>	<u>37,226,191</u>	<u>28,881,985</u>	<u>32,121,245</u>	<u>70,224,185</u>	<u>61,003,230</u>
Excess revenues over expenses	(538,392)	(78,453)	1,181,340	266,559	(616,845)	1,447,899
Special items, net	<u>-</u>	<u>-</u>	<u>(2,800,830)</u>	<u>-</u>	<u>-</u>	<u>(2,800,830)</u>
Change in net assets	(538,392)	(78,453)	(1,619,490)	266,559	(616,845)	(1,352,931)
Net assets at at beginning of year (restated)	<u>32,490,341</u>	<u>23,910,746</u>	<u>34,109,831</u>	<u>23,644,187</u>	<u>56,401,087</u>	<u>57,754,018</u>
Net assets at end of year	<u>\$ 31,951,949</u>	<u>\$ 23,832,293</u>	<u>\$ 32,490,341</u>	<u>\$ 23,910,746</u>	<u>\$ 55,784,242</u>	<u>\$ 56,401,087</u>

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Governmental Activities

Governmental net assets decreased by \$538,392 in 2007 from 2006. The decrease in net assets was primarily due to expenses increasing \$4,116,009 while revenues only increased \$2,396,277.

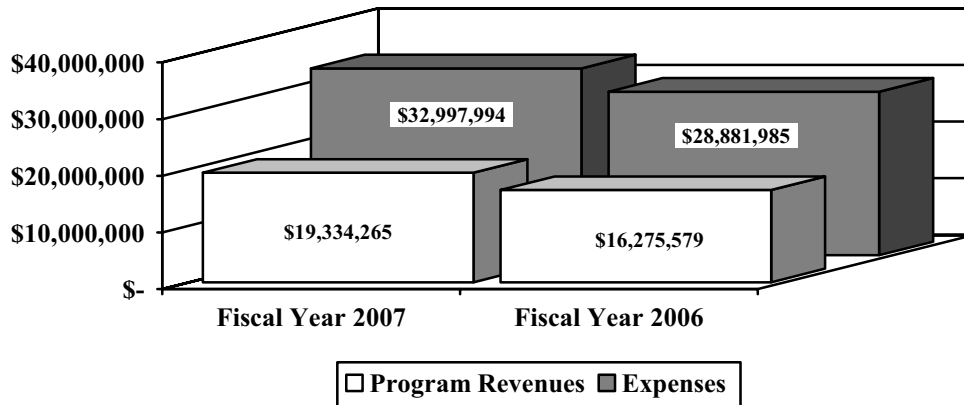
Human services, which supports the operations of the county home, county board of MR/DD, job and family services (public assistance), veteran services, and the children services board, accounts for \$13,256,225 of expenses, or 40.17% of total governmental expenses of the County. These expenses were funded by \$890,881 in charges to users of services and \$6,942,626 in operating grants and contributions in 2007. General government expenses which includes legislative and executive and judicial programs, accounted for \$6,826,242 or 20.69% of total governmental expenses. General government expenses were covered by \$3,171,172 of direct charges to users in 2007.

The state and federal government contributed to the County revenues of \$13,166,135 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$13,125,337, and amounted to 40.44% of total revenues. These revenues primarily consist of property and sales tax revenue of \$10,531,736 or 80.24% of total general revenues in 2007. The other primary source of general revenues is grants and entitlements not restricted to specific programs, with local government and local government revenue assistance making up \$1,230,309, or 9.37% of the total.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2007 and 2006. That is, it identifies the cost of these services supported by general revenues (such as tax revenue and unrestricted state grants and entitlements). As can be seen in the graph below, the County is reliant upon general revenues to finance operations as program revenues are not sufficient to cover total expenses.

Governmental Activities – Program Revenues vs. Total Expenses



HOLMES COUNTY, OHIO

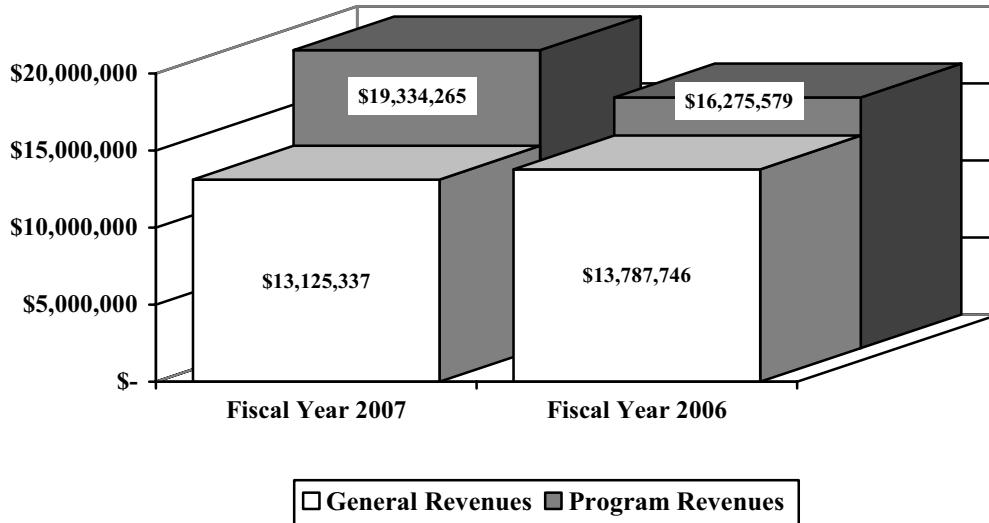
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Program Expenses:				
General government				
Legislative and executive	\$ 4,989,338	\$ 1,675,844	\$ 4,835,372	\$ 2,214,470
Judicial	1,836,904	1,420,761	1,635,998	1,246,005
Public safety	4,258,581	3,711,225	3,615,617	3,228,742
Public works	7,723,877	669,235	5,440,623	(355,660)
Health	243,377	97,454	185,419	44,339
Human services	13,256,225	5,399,518	12,375,027	5,443,581
Conservation and recreation	457,733	457,733	320,920	311,920
Intergovernmental	-	-	227,200	227,200
Interest and fiscal charges	231,959	231,959	245,809	245,809
Total	\$ 32,997,994	\$ 13,663,729	\$ 28,881,985	\$ 12,606,406

The dependence upon general revenues for governmental activities is apparent, with 41.41% of expenses supported through taxes and other general revenues during 2007. The graph below illustrates the County's reliance upon general revenues.

Governmental Activities – General and Program Revenues

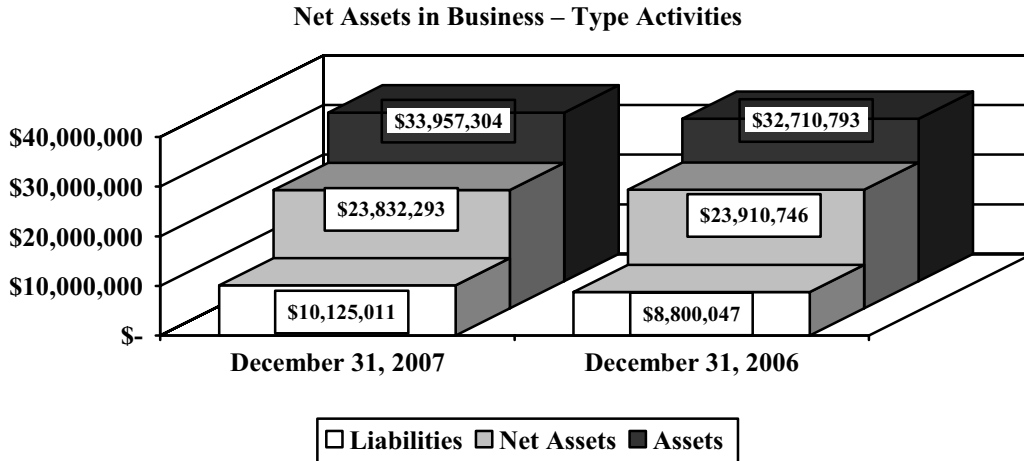


HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)

Business-Type Activities

The sewer district, east Holmes water, county disposal and Joel Pomerene Hospital are the County's enterprise funds. These operations had program revenues of \$36,837,236, general revenues of \$310,502, and expenses of \$37,226,191 for fiscal year 2007. The net assets of the enterprise funds decreased \$78,453 or 0.33% during 2007. The following graph illustrates the assets, liabilities and net assets of the County's business-type activities at December 31, 2007 and 2006:



Financial Analysis of the Government's Funds

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

Governmental Funds

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

The County's governmental fund balance at January 1, 2007 has been restated as discussed in Note 3.C. of the notes to the basic financial statements. The County's governmental funds (as reported on the balance sheet on pages 22-23) reported a combined fund balance of \$9,295,779, which is \$1,688,434 lower than last year's total of \$10,984,213. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2007 for all major and non-major governmental funds.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)

	Fund Balances <u>12/31/07</u>	(Restated) Fund Balances <u>01/01/07</u>	Increase/ <u>(Decrease)</u>
Major funds:			
General	\$ 1,153,354	\$ 1,726,379	\$ (573,025)
County Board of MR/DD	1,898,872	2,205,439	(306,567)
Motor Vehicle License and Gas Tax	1,190,827	2,140,527	(949,700)
County Home	349,804	248,552	101,252
Public Assistance	746,689	909,763	(163,074)
Other nonmajor governmental funds	<u>3,956,233</u>	<u>3,753,553</u>	<u>202,680</u>
Total	<u>\$ 9,295,779</u>	<u>\$ 10,984,213</u>	<u>\$ (1,688,434)</u>

General Fund

The County's general fund balance decreased \$573,025, primarily due to the net change in expenditures and revenues. The table that follows assists in illustrating the revenues of the general fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 5,992,118	\$ 6,173,938	(2.94) %
Charges for services	1,800,728	1,736,411	3.70 %
Licenses and permits	91,329	102,426	(10.83) %
Fines and forfeitures	120,683	104,009	16.03 %
Intergovernmental	1,142,925	1,033,071	10.63 %
Investment income	626,042	526,985	18.80 %
Other	<u>280,889</u>	<u>554,435</u>	(49.34) %
Total	<u>\$ 10,054,714</u>	<u>\$ 10,231,275</u>	(1.73) %

Tax revenue represents 59.59% of all general fund revenue. Tax revenue decreased slightly by 2.94% over prior year. The increase in investment income is due to increasing interest rates throughout the year. License and permit revenue decreased 10.83% as a result of decreased revenues from certificates of title. Fines and forfeitures increased 16.03% primarily due to the increase in County court fees collected during the year. Proper classification of revenues during 2007 led to a 49.34 % reduction in "other" revenues. All other revenue remained comparable to 2006.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)

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

<u>Expenditures</u>	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
General government			
Legislative and executive	\$ 3,762,626	\$ 3,670,330	2.51 %
Judicial	1,653,771	1,447,388	14.26 %
Public safety	3,559,914	3,299,755	7.88 %
Public works	60,629	59,183	2.44 %
Health	75,405	67,678	11.42 %
Human services	277,042	299,333	(7.45) %
Conservation and recreation	461,356	512,793	(10.03) %
Total	<u>\$ 9,850,743</u>	<u>\$ 9,356,460</u>	5.28 %

The most significant increases were in the areas of judicial general government. Judicial general government expenditures were increased as a result of the rising wages and benefits associated with various departments. Increased medical expenses resulted in an 11.42% increase in health expenditures. Reduced funds paid to governmental agencies led to a 10.03% decrease in conservation and recreation expenditures. Total expenditures increased \$494,283 or 5.28%. All other expenditures remained comparable to 2006.

County Board of MR/DD

The county board of mental retardation and developmentally disabled (MR/DD) fund, a major governmental fund, had revenues and other financing sources of \$5,537,334 in 2007, an increase of \$8,976 or 0.16% from 2006 revenues. The county board of MR/DD fund, had expenditures and other financing uses of \$5,843,901 in 2007, an increase of \$469,170 or 8.73% from 2006. Increasing wages and benefits and contractual services expenditures during 2007 led to the county board of MR/DD fund balance decrease of \$306,567 or 13.90% from 2006 to 2007.

Motor Vehicle License and Gas Tax Fund

The motor vehicle license and gas tax fund, a major governmental fund, had revenues of \$4,537,537 in 2007, an increase of \$362,337 or 8.68% from 2006 revenues. The motor vehicle license and gas tax fund, had expenditures of \$5,487,237 in 2007, an increase of \$695,640 or 14.52% from 2006. While intergovernmental revenues increased \$303,147 or 7.76% during the year, the increase in wages and benefits and materials and supplies resulted in the motor vehicle license and gas tax fund balance decrease of \$949,700 or 44.37% from 2006 to 2007.

County Home Fund

The county home fund, a major governmental fund, had revenues of \$1,634,787 in 2007. The county home fund, had expenditures of \$1,533,535 in 2007. The county home fund balance was restated as discussed in Note 3.C. of the notes to the basic financial statements to remove the county home auxiliary at January 1, 2007. Adequate charges for services and property tax revenues have allowed to county home fund to maintain a fund balance of \$349,804 for 2007, an increase in fund balance of \$101,252 or 40.74% from 2006 to 2007.

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 (UNAUDITED)

Public Assistance Fund

The public assistance fund, a major governmental fund, had revenues and other financing sources of \$4,018,003 in 2007. The public assistance fund had expenditures of \$4,181,077 in 2007. Intergovernmental revenues increased \$218,903 or 8.06% from 2006. Increasing wages and benefits and materials and supplies cost resulted in total expenditures increasing \$513,785 or 14.01% from 2006. These factors resulted in the public assistance fund balance decreasing \$163,074 or 17.92% from 2006 to 2007.

Budgeting Highlights - General Fund

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

Budgetary information is presented for the general fund, county board of MR/DD, motor vehicle license and gas tax, county home and public assistance. In the general fund, final budgeted revenues of \$9,459,026 were \$348,136 higher than original budgeted revenues of \$9,110,890. Actual revenues of \$9,793,323 exceeded final budgeted revenues by \$334,297 or 3.53%. This increase is due to greater than anticipated receipts in charges for services revenue and investment income.

Final budgeted expenditures and other financing uses of \$10,692,698 were \$760,426 higher than original budgeted expenditures and other financing uses of \$9,932,272. Actual expenditures and financing uses of \$10,476,562 were \$216,136 less than final budgeted expenditures and financing uses. This decrease was due to the County's ability to control expenditures in the general fund during the year.

Proprietary Funds

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

Capital Assets and Debt Administration

Capital Assets

At the end of 2007, the County had \$43,905,792 (net of accumulated depreciation) invested in land, buildings and improvements, furniture, fixtures and equipment, vehicles, construction in progress, sewer mains and infrastructure. Of this total, \$24,606,817 was reported in governmental activities and \$19,298,975 was reported in business-type activities.

HOLMES COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

The following table shows fiscal 2007 balances compared to 2006:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007	(Restated) 2006	2007	(Restated) 2006	2007	(Restated) 2006
Land	\$ 827,053	\$ 815,124	\$ 1,814,432	\$ 1,651,917	\$ 2,641,485	\$ 2,467,041
Building and improvements	10,854,269	11,239,072	7,391,581	4,696,994	18,245,850	15,936,066
Furniture, fixtures and equipment	906,683	872,748	6,717,626	5,864,664	7,624,309	6,737,412
Vehicles	1,827,118	1,926,886	-	-	1,827,118	1,926,886
Infrastructure	10,182,488	9,889,465	-	-	10,182,488	9,889,465
Sewer/water lines	-	-	2,598,893	2,704,599	2,598,893	2,704,599
Construction in progress	9,206	99,126	776,443	360,823	785,649	459,949
Total	<u>\$ 24,606,817</u>	<u>\$ 24,842,421</u>	<u>\$ 19,298,975</u>	<u>\$ 15,278,997</u>	<u>\$ 43,905,792</u>	<u>\$ 40,121,418</u>

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

The County's second largest capital asset category is infrastructure which includes roads, bridges and culverts. These items are immovable and of value only to the County, however, the annual cost of purchasing these items is quite significant. The net book value of the County's infrastructure (cost less accumulated depreciation) represents approximately 41.38% of the County's total governmental capital assets.

The County's third largest business-type capital asset category is sewer/water lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the County's sewer and water lines (cost less accumulated depreciation) represents approximately 13.47% of the County's total business-type capital assets.

Debt Administration

At December 31, 2007 the County had \$4,115,000 in general obligation bonds, \$2,493,500 in revenue bonds and OPWC loans of \$247,637 outstanding. Of this total, \$376,175 is due within one year and \$6,479,962 is due in more than one year. The following table summarizes the bonds, notes and loans outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2007</u>	<u>Business-Type Activities 2007</u>	<u>Governmental Activities 2006</u>	<u>Business-Type Activities 2006</u>
	Long-Term Obligations			
General obligation bonds:	\$ 4,115,000	\$ -	\$ 4,422,000	\$ -
Revenue bonds	-	2,493,500	-	2,531,500
OPWC loans	-	247,637	-	127,276
Total	<u>\$ 4,115,000</u>	<u>\$ 2,741,137</u>	<u>\$ 4,422,000</u>	<u>\$ 2,658,776</u>

HOLMES COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007 (UNAUDITED)

The County's voted legal debt margin was \$14,559,431 at December 31, 2007 and the unvoted legal debt margin was \$5,946,800 at December 31, 2007. See Note 14 to the basic financial statements for detail on governmental activities and business-type activities long-term obligations.

Economic Factors and Next Year's Budgets and Rates

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

The County's unemployment rate is currently 4.1%, compared to the 5.5% state average and the 4.6% national average.

These economic factors were considered in preparing the County's budget for fiscal year 2008. Budgeted revenues and other financing sources in the general fund for fiscal year 2008 budget were \$9,387,940. With the continuation of conservative budgeting practices, the County's financial position should remain strong in future years.

Contacting the County's Financial Management

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

BASIC
FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 8,871,318	\$ 837,986	\$ 9,709,304
Cash and cash equivalents in segregated accounts	13,189	2,042,553	2,055,742
Receivables (net of allowances for uncollectibles):			
Sales taxes	728,671	-	728,671
Real estate and other taxes	6,481,421	-	6,481,421
Accounts	303,180	5,443,499	5,746,679
Due from other governments.	3,487,742	-	3,487,742
Notes and loans	-	133,197	133,197
Internal balances	(2,224)	2,224	-
Prepayments	70,457	680,384	750,841
Materials and supplies inventory.	410,815	441,972	852,787
Assets limited as to use	-	5,076,514	5,076,514
Capital assets:			
Land and construction in progress.	836,259	2,590,875	3,427,134
Depreciable capital assets, net.	23,770,558	16,708,100	40,478,658
Total capital assets.	24,606,817	19,298,975	43,905,792
Total assets.	44,971,386	33,957,304	78,928,690
Liabilities:			
Accounts payable.	525,534	645,020	1,170,554
Accrued wages and benefits	383,174	1,879,272	2,262,446
Due to other governments	464,939	5,618	470,557
Other accrued expenses.	-	450,710	450,710
Accrued interest payable.	18,217	88,935	107,152
Unearned revenues	6,238,478	-	6,238,478
Long-term liabilities:			
Due within one year.	1,231,394	236,350	1,467,744
Due in more than one year	4,157,701	6,819,106	10,976,807
Total liabilities	13,019,437	10,125,011	23,144,448
Net assets:			
Invested in capital assets, net of related debt.	20,491,817	16,283,658	36,775,475
Restricted for:			
Capital projects	600,081	-	600,081
Debt service	201,828	-	201,828
Public works projects	2,959,797	-	2,959,797
Public safety programs.	802,881	-	802,881
Human services programs	4,494,530	-	4,494,530
Donor specific usues	-	1,300,072	1,300,072
Other purposes	985,471	-	985,471
Unrestricted (deficit)	1,415,544	6,248,563	7,664,107
Total net assets.	\$ 31,951,949	\$ 23,832,293	\$ 55,784,242

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Component Units

Lynn Hope Industries, Incorporated	Holmes County Airport Authority	Regional Planning Commission
\$ -	\$ -	\$ 131,392
66,013	310,185	-
-	-	-
-	-	-
20,612	910	400
-	274,249	-
-	-	-
-	2,269	-
451	-	-
-	-	-
-	54,357	-
23,489	402,130	-
<u>23,489</u>	<u>456,487</u>	<u>-</u>
<u>110,565</u>	<u>1,044,100</u>	<u>131,792</u>
757	2,814	-
-	-	3,550
-	2,017	3,458
-	-	-
-	-	-
-	3,159	-
11,473	-	30,277
<u>160,859</u>	<u>-</u>	<u>4,960</u>
<u>173,089</u>	<u>7,990</u>	<u>42,245</u>
23,489	456,487	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
(86,013)	579,623	89,547
<u>\$ (62,524)</u>	<u>\$ 1,036,110</u>	<u>\$ 89,547</u>

HOLMES COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government				
Legislative and executive	\$ 4,989,338	\$ 2,828,600	\$ 484,894	\$ -
Judicial	1,836,904	342,572	73,571	-
Public safety	4,258,581	251,038	296,318	-
Public works	7,723,877	1,685,916	5,368,726	-
Health	243,377	145,923	-	-
Human services	13,256,225	890,881	6,942,626	23,200
Conservation and recreation	457,733	-	-	-
Interest and fiscal charges	231,959	-	-	-
Total governmental activities.	<u>32,997,994</u>	<u>6,144,930</u>	<u>13,166,135</u>	<u>23,200</u>
Business-Type Activities:				
Sewer District	904,511	656,727	-	-
County Disposal.	792,330	84,519	-	-
Joel Pomerene Hospital	35,520,544	33,620,215	2,468,975	-
Nonmajor:				
East Holmes Water	8,806	6,800	-	-
Total business-type activities	<u>37,226,191</u>	<u>34,368,261</u>	<u>2,468,975</u>	<u>-</u>
Total primary government.	<u>\$ 70,224,185</u>	<u>\$ 40,513,191</u>	<u>\$ 15,635,110</u>	<u>\$ 23,200</u>
Component Units:				
Lynn Hope Industries, Inc..	432,786	163,956	319,463	-
Holmes County Airport Authority	100,787	95,939	315,745	-
Regional Planning Commission	195,630	-	157,582	-
Total component units	<u>\$ 729,203</u>	<u>\$ 259,895</u>	<u>\$ 792,790</u>	<u>\$ -</u>

General Revenues:

Property taxes levied for:	
General fund	
Human services - County Board of MR/DD	
Human services - County Home	
Sales taxes	
Grants and entitlements not restricted to specific programs	
Investment earnings.	
Miscellaneous.	
Total general revenues	

Special Item:

Gain on forgiveness of debt	
Total general revenues and special items	

Change in net assets

Net assets (deficit) at beginning of year (restated).

Net assets (deficit) at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Lynn Hope Industries, Inc.	Holmes County Airport Authority	Regional Planning Commission	
\$ (1,675,844)	\$ -	\$ (1,675,844)	\$ -	\$ -	\$ -	
(1,420,761)	-	(1,420,761)	-	-	-	
(3,711,225)	-	(3,711,225)	-	-	-	
(669,235)	-	(669,235)	-	-	-	
(97,454)	-	(97,454)	-	-	-	
(5,399,518)	-	(5,399,518)	-	-	-	
(457,733)	-	(457,733)	-	-	-	
(231,959)	-	(231,959)	-	-	-	
(13,663,729)	-	(13,663,729)	-	-	-	
-	(247,784)	(247,784)	-	-	-	
-	(707,811)	(707,811)	-	-	-	
-	568,646	568,646	-	-	-	
-	(2,006)	(2,006)	-	-	-	
-	(388,955)	(388,955)	-	-	-	
(13,663,729)	(388,955)	(14,052,684)	-	-	-	
-	-	-	50,633	-	-	
-	-	-	-	310,897	-	
-	-	-	-	-	(38,048)	
-	-	-	50,633	310,897	(38,048)	
2,208,812	-	2,208,812	-	-	-	
2,931,278	-	2,931,278	-	-	-	
897,243	-	897,243	-	-	-	
4,494,403	-	4,494,403	-	-	-	
1,230,309	-	1,230,309	-	-	-	
630,303	310,355	940,658	975	9,694	-	
732,989	147	733,136	-	36	-	
13,125,337	310,502	13,435,839	975	9,730	-	
-	-	-	11,500	-	-	
13,125,337	310,502	13,435,839	12,475	9,730	-	
(538,392)	(78,453)	(616,845)	63,108	320,627	(38,048)	
32,490,341	23,910,746	56,401,087	(125,632)	715,483	127,595	
<u>\$ 31,951,949</u>	<u>\$ 23,832,293</u>	<u>\$ 55,784,242</u>	<u>\$ (62,524)</u>	<u>\$ 1,036,110</u>	<u>\$ 89,547</u>	

HOLMES COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General	County Board of MR/DD	Motor Vehicle License and Gas Tax
Assets:			
Equity in pooled cash and cash equivalents	\$ 936,348	\$ 2,088,180	\$ 793,211
Cash and cash equivalents in segregated accounts	13,189	-	-
Receivables (net of allowance for uncollectibles):			
Sales taxes	646,671	-	-
Real estate and other taxes	2,507,595	3,044,706	-
Accounts	43,109	28,381	2,545
Loans to other funds	55,000	-	-
Due from other funds	31,181	-	-
Due from other governments	563,422	221,917	2,033,369
Prepayments	42,819	6,249	5,372
Materials and supplies inventory	71,434	10,440	303,067
Total assets	<u>\$ 4,910,768</u>	<u>\$ 5,399,873</u>	<u>\$ 3,137,564</u>
Liabilities:			
Accounts payable	\$ 130,533	\$ 60,760	\$ 27,358
Accrued wages and benefits	131,993	88,329	41,038
Compensated absences payable	41,920	-	8,830
Loans from other funds	-	-	-
Due to other funds	1,091	3,765	-
Due to other governments	148,126	86,901	40,433
Deferred revenue	865,751	358,268	1,829,078
Unearned revenue	2,438,000	2,902,978	-
Total liabilities	<u>3,757,414</u>	<u>3,501,001</u>	<u>1,946,737</u>
Fund Balances:			
Reserved for encumbrances	38,084	-	-
Reserved for prepayments	42,819	6,249	5,372
Reserved for materials and supplies inventory	71,434	10,440	303,067
Reserved for loans	55,000	-	-
Unreserved:			
Designated for compensated absences reported in special revenue funds	-	-	-
Undesignated, reported in:			
General fund	946,017	-	-
Special revenue funds	-	1,882,183	882,388
Debt service fund	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>1,153,354</u>	<u>1,898,872</u>	<u>1,190,827</u>
Total liabilities and fund balances	<u>\$ 4,910,768</u>	<u>\$ 5,399,873</u>	<u>\$ 3,137,564</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Public Assistance	Other Governmental Funds	Total Governmental Funds
\$ 351,234	\$ 581,628	\$ 4,120,717	\$ 8,871,318
-	-	-	13,189
-	-	82,000	728,671
929,120	-	-	6,481,421
44,167	-	184,978	303,180
-	-	-	55,000
-	-	20,422	51,603
45,315	442,415	181,304	3,487,742
7,867	2,349	5,801	70,457
9,758	8,386	7,730	410,815
<u>\$ 1,387,461</u>	<u>\$ 1,034,778</u>	<u>\$ 4,602,952</u>	<u>\$ 20,473,396</u>
\$ 12,403	\$ 143,496	\$ 150,984	\$ 525,534
25,818	40,934	55,062	383,174
-	880	6,922	58,552
-	-	55,000	55,000
1,502	18,098	29,371	53,827
23,499	84,681	81,299	464,939
76,935	-	268,081	3,398,113
897,500	-	-	6,238,478
<u>1,037,657</u>	<u>288,089</u>	<u>646,719</u>	<u>11,177,617</u>
-	-	37,264	75,348
7,867	2,349	5,801	70,457
9,758	8,386	7,730	410,815
-	-	-	55,000
-	-	250,000	250,000
-	-	-	946,017
332,179	735,954	2,876,962	6,709,666
-	-	185,045	185,045
-	-	593,431	593,431
<u>349,804</u>	<u>746,689</u>	<u>3,956,233</u>	<u>9,295,779</u>
<u>\$ 1,387,461</u>	<u>\$ 1,034,778</u>	<u>\$ 4,602,952</u>	<u>\$ 20,473,396</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007

Total governmental fund balances		\$ 9,295,779
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,606,817
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 242,943	
Sales tax	352,520	
Intergovernmental revenues	2,714,500	
License and permits	7,650	
Other revenues	764	
Charges for services	79,736	
	<hr/>	
Total		3,398,113
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(4,115,000)	
Compensated absences	(1,215,543)	
Accrued interest payable	(18,217)	
	<hr/>	
Total		<u>(5,348,760)</u>
Net assets of governmental activities		<u>\$ 31,951,949</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>
Revenues:			
Property taxes	\$ 2,208,284	\$ 2,934,144	\$ -
Sales taxes	3,783,834	-	-
Charges for services	1,800,728	264,992	-
Licenses and permits	91,329	-	-
Fines and forfeitures	120,683	-	54,480
Intergovernmental	1,142,925	2,142,790	4,209,241
Investment income	626,042	2,813	8,382
Rental income	17,156	-	-
Contributions and donations	50,000	-	78,650
Other	213,733	184,595	144,784
Total revenues	<u>10,054,714</u>	<u>5,529,334</u>	<u>4,495,537</u>
Expenditures:			
Current:			
General government:			
Legislative and executive	3,762,626	-	-
Judicial	1,653,771	-	-
Public safety	3,559,914	-	-
Public works	60,629	-	5,487,237
Health	75,405	-	-
Human services	277,042	5,628,039	-
Conservation and recreation	461,356	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>9,850,743</u>	<u>5,628,039</u>	<u>5,487,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>203,971</u>	<u>(98,705)</u>	<u>(991,700)</u>
Other financing sources (uses):			
Sale of capital assets	-	-	42,000
Transfers in	-	8,000	-
Transfers out	(776,996)	(215,862)	-
Total other financing sources (uses)	<u>(776,996)</u>	<u>(207,862)</u>	<u>42,000</u>
Net change in fund balances	(573,025)	(306,567)	(949,700)
Fund balances at beginning of year (restated) .	<u>1,726,379</u>	<u>2,205,439</u>	<u>2,140,527</u>
Fund balances at end of year	<u>\$ 1,153,354</u>	<u>\$ 1,898,872</u>	<u>\$ 1,190,827</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

County Home	Public Assistance	Other Governmental Funds	Total Governmental Funds
\$ 897,424	\$ -	\$ 4,629	\$ 6,044,481
-	-	637,618	4,421,452
521,163	-	2,562,761	5,149,644
-	-	166,968	258,297
-	-	157,098	332,261
144,457	2,935,639	2,544,698	13,119,750
-	-	18,097	655,334
32,904	-	134,308	184,368
-	-	-	128,650
38,839	203,495	104,116	889,562
<u>1,634,787</u>	<u>3,139,134</u>	<u>6,330,293</u>	<u>31,183,799</u>
-	-	1,230,720	4,993,346
-	-	168,551	1,822,322
-	-	455,091	4,015,005
-	-	1,905,205	7,453,071
-	-	159,590	234,995
1,533,535	4,181,077	1,345,592	12,965,285
-	-	-	461,356
-	-	428,680	428,680
-	-	307,000	307,000
-	-	233,173	233,173
<u>1,533,535</u>	<u>4,181,077</u>	<u>6,233,602</u>	<u>32,914,233</u>
<u>101,252</u>	<u>(1,041,943)</u>	<u>96,691</u>	<u>(1,730,434)</u>
-	-	-	42,000
-	878,869	879,196	1,766,065
-	-	(773,207)	(1,766,065)
-	878,869	105,989	42,000
101,252	(163,074)	202,680	(1,688,434)
248,552	909,763	3,753,553	10,984,213
<u>\$ 349,804</u>	<u>\$ 746,689</u>	<u>\$ 3,956,233</u>	<u>\$ 9,295,779</u>

HOLMES COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net change in fund balances - total governmental funds \$ (1,688,434)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$ 1,658,534	
Current year depreciation	(1,766,939)	
Total		(108,405)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (127,199)

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

Property taxes	(2,519)	
Sales tax	72,951	
Intergovernmental revenues	1,141,622	
Interest revenue	(38)	
Charges for services	75,387	
License and permits	(1,929)	
Other revenues	(9,671)	
Total		1,275,803

Repayment of bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. 307,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,214

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (198,371)

Change in net assets of governmental activities \$ (538,392)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,174,500	\$ 2,174,500	\$ 2,204,721	\$ 30,221
Sales taxes	3,922,000	3,922,000	3,766,875	(155,125)
Charges for services	1,121,900	1,308,690	1,581,578	272,888
Licenses and permits	95,590	95,590	91,329	(4,261)
Fines and forfeitures	102,000	102,942	119,069	16,127
Intergovernmental	1,041,700	1,056,700	1,104,859	48,159
Investment income	450,000	450,000	612,447	162,447
Rental income	8,200	8,200	16,984	8,784
Contributions and donations	-	50,000	50,000	-
Other	195,000	290,404	245,461	(44,943)
Total revenues.	<u>9,110,890</u>	<u>9,459,026</u>	<u>9,793,323</u>	<u>334,297</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	4,682,376	4,822,647	4,811,393	11,254
Judicial	1,326,029	1,330,467	1,232,517	97,950
Public safety	2,303,960	2,813,429	2,812,492	937
Public works	58,190	58,190	58,182	8
Health	76,091	75,903	75,405	498
Human services	350,710	350,710	245,289	105,421
Conservation and recreation	239,300	301,356	301,356	-
Other	-	3,000	2,932	68
Intergovernmental.	160,000	160,000	160,000	-
Total expenditures	<u>9,196,656</u>	<u>9,915,702</u>	<u>9,699,566</u>	<u>216,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,766)</u>	<u>(456,676)</u>	<u>93,757</u>	<u>550,433</u>
Other financing uses:				
Transfers out	<u>(735,616)</u>	<u>(776,996)</u>	<u>(776,996)</u>	<u>-</u>
Total other financing uses	<u>(735,616)</u>	<u>(776,996)</u>	<u>(776,996)</u>	<u>-</u>
Net change in fund balance.	(821,382)	(1,233,672)	(683,239)	550,433
Fund balance at beginning of year	1,474,056	1,474,056	1,474,056	-
Prior year encumbrances appropriated	<u>22,751</u>	<u>22,751</u>	<u>22,751</u>	<u>-</u>
Fund balance at end of year	<u>\$ 675,425</u>	<u>\$ 263,135</u>	<u>\$ 813,568</u>	<u>\$ 550,433</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF MR/DD
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,867,570	\$ 2,867,570	\$ 2,926,766	\$ 59,196
Charges for services	256,273	256,273	262,657	6,384
Intergovernmental	1,771,541	1,804,041	2,170,730	366,689
Investment income	2,300	2,300	2,813	513
Other	281,856	293,140	230,772	(62,368)
Total revenues	<u>5,179,540</u>	<u>5,223,324</u>	<u>5,593,738</u>	<u>370,414</u>
Expenditures:				
Current:				
Human services	5,913,092	5,953,028	5,595,070	357,958
Total expenditures	<u>5,913,092</u>	<u>5,953,028</u>	<u>5,595,070</u>	<u>357,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(733,552)</u>	<u>(729,704)</u>	<u>(1,332)</u>	<u>728,372</u>
Other financing sources (uses):				
Transfers in	660,789	660,789	629,622	(31,167)
Transfers out	(900,439)	(900,440)	(837,484)	62,956
Total other financing sources (uses).	<u>(239,650)</u>	<u>(239,651)</u>	<u>(207,862)</u>	<u>31,789</u>
Net change in fund balance.	(973,202)	(969,355)	(209,194)	760,161
Fund balance at beginning of year	<u>2,217,757</u>	<u>2,217,757</u>	<u>2,217,757</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,244,555</u>	<u>\$ 1,248,402</u>	<u>\$ 2,008,563</u>	<u>\$ 760,161</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE AND GAS TAX
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 43,029	\$ 43,029	\$ 56,320	\$ 13,291
Intergovernmental	3,991,250	4,291,250	4,317,242	25,992
Investment income	-	-	9,510	9,510
Contributions and donations	75,000	75,000	78,650	3,650
Other	28,750	136,750	144,784	8,034
Total revenues	<u>4,138,029</u>	<u>4,546,029</u>	<u>4,606,506</u>	<u>60,477</u>
Expenditures:				
Current:				
Public works	4,138,029	5,175,621	5,195,065	(19,444)
Total expenditures	<u>4,138,029</u>	<u>5,175,621</u>	<u>5,195,065</u>	<u>(19,444)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(629,592)</u>	<u>(588,559)</u>	<u>41,033</u>
Other financing sources:				
Sale of capital assets	-	42,000	42,000	-
Total other financing sources	<u>-</u>	<u>42,000</u>	<u>42,000</u>	<u>-</u>
Net change in fund balance	-	(587,592)	(546,559)	41,033
Fund balance at beginning of year	<u>1,337,592</u>	<u>1,337,592</u>	<u>1,337,592</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,337,592</u>	<u>\$ 750,000</u>	<u>\$ 791,033</u>	<u>\$ 41,033</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY HOME
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 918,285	\$ 903,750	\$ 895,847	\$ (7,903)
Charges for services	450,110	428,484	517,595	89,111
Intergovernmental	92,288	92,288	144,457	52,169
Rental income	32,224	31,285	32,121	836
Other	6,386	6,200	38,839	32,639
Total revenues	<u>1,499,293</u>	<u>1,462,007</u>	<u>1,628,859</u>	<u>166,852</u>
Expenditures:				
Current:				
Human services	<u>1,569,948</u>	<u>1,619,469</u>	<u>1,533,039</u>	<u>86,430</u>
Total expenditures	<u>1,569,948</u>	<u>1,619,469</u>	<u>1,533,039</u>	<u>86,430</u>
Net change in fund balance.	(70,655)	(157,462)	95,820	253,282
Fund balance at beginning of year	<u>237,949</u>	<u>237,949</u>	<u>237,949</u>	<u>-</u>
Fund balance at end of year	<u>\$ 167,294</u>	<u>\$ 80,487</u>	<u>\$ 333,769</u>	<u>\$ 253,282</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PUBLIC ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,808,711	\$ 2,808,711	\$ 3,013,274	\$ 204,563
Other	179,030	179,030	203,566	24,536
Total revenues	<u>2,987,741</u>	<u>2,987,741</u>	<u>3,216,840</u>	<u>229,099</u>
Expenditures:				
Current:				
Human services.	4,703,949	4,703,949	4,193,041	510,908
Total expenditures	<u>4,703,949</u>	<u>4,703,949</u>	<u>4,193,041</u>	<u>510,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,716,208)</u>	<u>(1,716,208)</u>	<u>(976,201)</u>	<u>740,007</u>
Other financing sources (uses):				
Refund of prior year expenditure	100,000	100,000	100,000	-
Transfers in	963,662	963,662	878,869	(84,793)
Transfers out	(3,000)	(3,000)	-	3,000
Total other financing sources (uses)	<u>1,060,662</u>	<u>1,060,662</u>	<u>978,869</u>	<u>(81,793)</u>
Net change in fund balance.	(655,546)	(655,546)	2,668	658,214
Fund balance at beginning of year	<u>578,960</u>	<u>578,960</u>	<u>578,960</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (76,586)</u>	<u>\$ (76,586)</u>	<u>\$ 581,628</u>	<u>\$ 658,214</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

STATEMENT OF NET ASSETS
 ENTERPRISE FUNDS
 DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 802,107	\$ 34,953	\$ -	\$ 926
Cash and cash equivalents in segregated accounts. . .	-	-	1,004,026	-
Investments in segregated accounts	-	-	1,038,527	-
Receivables (net of allowance for uncollectibles):				
Accounts	121,995	6,636	5,313,392	1,476
Due from other funds.	4,034	-	-	-
Notes and loans	133,197	-	-	-
Loans to other funds	8,000	-	-	-
Materials and supplies inventory	278	-	441,694	-
Prepayments.	-	-	680,384	-
Total current assets	<u>1,069,611</u>	<u>41,589</u>	<u>8,478,023</u>	<u>2,402</u>
Noncurrent assets:				
Assets limited as to use, net of current portion	-	-	5,076,514	-
Capital assets:				
Land and construction in progress	98,503	368,540	2,123,832	-
Depreciable capital assets, net	<u>4,778,883</u>	<u>-</u>	<u>11,929,217</u>	<u>-</u>
Total noncurrent assets	<u>4,877,386</u>	<u>368,540</u>	<u>19,129,563</u>	<u>-</u>
Total assets	<u>5,946,997</u>	<u>410,129</u>	<u>27,607,586</u>	<u>2,402</u>
Liabilities:				
Current liabilities:				
Accounts payable.	9,253	3,152	631,490	1,125
Accrued wages and benefits	8,319	1,041	1,869,912	-
Other accrued expenses.	-	-	450,710	-
Due to other governments	4,604	1,014	-	-
Due to other funds	1,810	-	-	-
Loans from other funds.	-	-	-	8,000
Accrued interest payable.	88,935	-	-	-
Current portion of compensated absences payable . . .	20,162	4,935	-	-
Current portion of revenue bonds payable	40,000	-	-	-
Current portion of OPWC loan payable	15,175	-	-	-
Current portion of capital lease obligation	-	-	156,078	-
Total current liabilities	<u>188,258</u>	<u>10,142</u>	<u>3,108,190</u>	<u>9,125</u>
Long-term liabilities:				
Compensated absences payable.	5,034	-	-	-
Revenue bonds payable	2,453,500	-	-	-
Capital lease obligation	-	-	118,102	-
Landfill closure and postclosure care liability	-	4,010,008	-	-
OPWC loan payable	<u>232,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities.	<u>2,690,996</u>	<u>4,010,008</u>	<u>118,102</u>	<u>-</u>
Total liabilities	<u>2,879,254</u>	<u>4,020,150</u>	<u>3,226,292</u>	<u>9,125</u>
Net assets:				
Invested in capital assets, net of related debt.	2,136,249	368,540	13,778,869	-
Restricted for:				
Donor specific uses	-	-	1,300,072	-
Unrestricted (deficit).	<u>931,494</u>	<u>(3,978,561)</u>	<u>9,302,353</u>	<u>(6,723)</u>
Total net assets	<u>\$ 3,067,743</u>	<u>\$ (3,610,021)</u>	<u>\$ 24,381,294</u>	<u>\$ (6,723)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$	837,986
	1,004,026
	1,038,527
	5,443,499
	4,034
	133,197
	8,000
	441,972
	680,384
	<u>9,591,625</u>
	5,076,514
	2,590,875
	16,708,100
	<u>24,375,489</u>
	<u>33,967,114</u>
	645,020
	1,879,272
	450,710
	5,618
	1,810
	8,000
	88,935
	25,097
	40,000
	15,175
	156,078
	<u>3,315,715</u>
	5,034
	2,453,500
	118,102
	4,010,008
	232,462
	<u>6,819,106</u>
	<u>10,134,821</u>
	16,283,658
	1,300,072
	6,248,563
\$	<u>23,832,293</u>

HOLMES COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Operating revenues:				
Charges for services	\$ 656,727	\$ -	\$ 33,421,773	\$ 6,800
Royalties and fees	-	84,519	-	-
Other.	147	-	198,442	-
Total operating revenues	<u>656,874</u>	<u>84,519</u>	<u>33,620,215</u>	<u>6,800</u>
Operating expenses:				
Personal services	209,002	56,173	15,611,684	-
Contract services	323,670	57,106	-	8,806
Materials and supplies	14,396	-	11,051,279	-
Depreciation	224,884	-	1,422,160	-
Provision for bad debts	-	-	3,336,386	-
Physician recruiting and incentive.	-	-	351,219	-
Medical professional fees	-	-	3,690,218	-
Landfill closure and postclosure care costs	-	679,051	-	-
Other.	-	-	25,147	-
Total operating expenses.	<u>771,952</u>	<u>792,330</u>	<u>35,488,093</u>	<u>8,806</u>
Operating loss	<u>(115,078)</u>	<u>(707,811)</u>	<u>(1,867,878)</u>	<u>(2,006)</u>
Nonoperating revenues (expenses):				
Interest revenue	14,779	-	295,576	-
Intergovernmental revenue	-	-	2,468,975	-
Interest expense and fiscal charges	(132,559)	-	(4,124)	-
NE network grant - net.	-	-	(28,327)	-
Total nonoperating revenues (expenses)	<u>(117,780)</u>	<u>-</u>	<u>2,732,100</u>	<u>-</u>
Change in net assets.	(232,858)	(707,811)	864,222	(2,006)
Net assets (deficit) at beginning of year (restated) .	<u>3,300,601</u>	<u>(2,902,210)</u>	<u>23,517,072</u>	<u>(4,717)</u>
Net assets (deficit) at end of year	<u>\$ 3,067,743</u>	<u>\$ (3,610,021)</u>	<u>\$ 24,381,294</u>	<u>\$ (6,723)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ 34,085,300
84,519

198,589

34,368,408

15,876,859
389,582
11,065,675
1,647,044
3,336,386
351,219
3,690,218
679,051

25,147

37,061,181

(2,692,773)

310,355
2,468,975
(136,683)

(28,327)

2,614,320

(78,453)

23,910,746

\$ 23,832,293

HOLMES COUNTY, OHIO

STATEMENT OF CASH FLOWS
 ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Cash flows from operating activities:				
Cash received from sales/service charges	\$ 677,362	\$ -	\$ 30,635,297	\$ 5,744
Cash received from royalties and fees	-	90,351	-	-
Cash received from other operating revenue	147	-	2,001,727	-
Cash payments for personal services	(191,575)	(54,122)	(15,531,759)	-
Cash payments for contract services	(331,221)	(55,750)	(16,587,922)	(7,681)
Cash payments for materials and supplies	(14,376)	-	-	-
Net cash provided by (used in) operating activities	140,337	(19,521)	517,343	(1,937)
Cash flows from noncapital financing activities:				
Cash payments for other nonoperating activities	-	-	2,436,524	-
Net cash provided by noncapital financing activities	-	-	2,436,524	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(121,873)	-	(5,402,431)	-
Proceeds of loans	135,536	-	-	-
Principal payments on capital lease obligations	(14,796)	-	(164,342)	-
Interest payments on capital lease obligations	(609)	-	-	-
Principal payments on bonds and loans	(53,175)	-	-	-
Interest payments on bonds and loans	(127,398)	-	-	-
Net cash used in capital and related financing activities	(182,315)	-	(5,566,773)	-
Cash flows from investing activities:				
Cash received from interest	14,779	-	295,576	-
Change in investments and assets whose use is limited	-	-	(171,680)	-
Repayments from notes receivable	14,273	-	-	-
Net cash provided by investing activities	29,052	-	123,896	-
Net decrease in cash and cash equivalents	(12,926)	(19,521)	(2,489,010)	(1,937)
Cash and cash equivalents				
at beginning of year (restated (Note 2.F.))	815,033	54,474	5,936,875	2,863
Cash and cash equivalents at end of year	\$ 802,107	\$ 34,953	\$ 3,447,865	\$ 926
Cash and cash equivalents include the following:				
Cash and cash equivalents	802,107	34,953	1,004,026	926
Assets limited as to use cash and cash equivalents:				
Board designated for future capital improvements	-	-	2,386,113	-
Funds available for future construction and equipment	-	-	57,726	-
Total cash and cash equivalents	\$ 802,107	\$ 34,953	\$ 3,447,865	\$ 926

Total

\$ 31,318,403
 90,351
 2,001,874
 (15,777,456)
 (16,982,574)
(14,376)

636,222

2,436,524

2,436,524

(5,524,304)
 135,536
 (179,138)
 (609)
 (53,175)
(127,398)

(5,749,088)

310,355
 (171,680)
 14,273
152,948

(2,523,394)

6,809,245
\$ 4,285,851

1,842,012
 2,386,113
 57,726
\$ 4,285,851

-- continued

HOLMES COUNTY, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities - Enterprise Funds			
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss.	\$ (115,078)	\$ (707,811)	\$ (1,867,878)	\$ (2,006)
Adjustments:				
Depreciation	224,884	-	1,422,160	-
Bad debt expense	-	-	3,336,386	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	20,913	5,832	(2,797,809)	(1,056)
Increase in third party settlements.	-	-	(7,695)	-
Increase in prepayments	-	-	(178,231)	-
Increase in due from other funds.	(278)	-	-	-
Increase (decrease) in accounts payable	(5,569)	1,356	200,991	1,125
Increase in other accrued expenses	-	-	442,077	-
Increase (decrease) in inventories	20	-	(32,658)	-
Increase in accrued wages and benefits.	4,194	30	-	-
Increase in landfill closure and postclosure care liability	-	679,051	-	-
Increase (decrease) in due to other governments.	(1,078)	349	-	-
Increase in compensated absences payable	11,411	1,672	-	-
Increase in due to other funds	918	-	-	-
Net cash provided by (used in) operating activities.	<u>\$ 140,337</u>	<u>\$ (19,521)</u>	<u>\$ 517,343</u>	<u>\$ (1,937)</u>
Non-cash transactions:				
Cash paid for interest	\$ -	\$ -	\$ 20,067	\$ -
Capital assets acquired under capital leases	-	-	142,718	-

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total

\$ (2,692,773)

1,647,044
3,336,386

(2,772,120)
(7,695)
(178,231)
(278)

197,903
442,077
(32,638)
4,224
679,051
(729)
13,083
918

\$ 636,222

\$ 20,067
142,718

HOLMES COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2007

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 3,759,021
Cash and cash equivalents in segregated accounts . . .	788,820
Receivables:	
Real estate and other taxes	25,857,872
Accounts	123,622
Due from other governments	<u>1,548,702</u>
Total assets	<u>\$ 32,078,037</u>
Liabilities:	
Accounts payable	\$ 206,723
Due to other governments.	1,060,560
Undistributed monies	<u>30,810,754</u>
Total liabilities	<u>\$ 32,078,037</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE COUNTY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

Joel Pomerene Hospital and Joel Pomerene Foundation (Hospital)

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

DISCRETELY PRESENTED COMPONENT UNITS

Holmes County Regional Planning Commission (Commission)

The Commission is governed by an eleven member board, of which seven are appointed by the County. The County provides ongoing financial support to the Commission; resulting in the Commission imposing 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 Authority board consists of seven members which are appointed by the County Commissioners of Holmes County. The County provides ongoing financial support to the Airport Authority; resulting in the Airport Authority imposing a financial burden on the County. Therefore, the Airport Authority has been included as a component unit of the County. Separate financial statements can be obtained from Holmes County Airport Authority, County Administration Building, Millersburg, Ohio 44654.

Lynn Hope Industries, Inc. (Workshop)

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component units is identified in Notes 26, 27 and 28.

POTENTIAL COMPONENT UNITS REPORTED AS AGENCY FUNDS

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

JOINT VENTURES WITHOUT EQUITY INTEREST

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

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

JOINTLY GOVERNED ORGANIZATIONS

Multi-County Juvenile Attention Center (Center)

The Multi-County Juvenile Attention Center is a jointly governed organization among Holmes, Tuscarawas, Carroll, Wayne, Stark and Columbiana Counties formed for the purpose of providing facilities for the training, treatment, and rehabilitation of delinquent, dependent, abused or neglected children. The operation of the Center is controlled by a joint board of commissioners whose membership consists of the three commissioners from each participating county. The board exercises total control over the operation of the Center including budgeting, appropriating, contracting and designating management. Budgets are adopted by the governing board of commissioners. Each County's degree of control is limited to its representation on the board. In 2007, the County contributed \$322,290 to the Center.

Stark Regional Community Corrections Center (SRCCC)

The SRCCC is a community based corrections facility that provides residents of the facility with educational, vocational, substance abuse and support counseling services. The facility is administered by a Judicial Corrections Board consisting of eleven common pleas court judges. The members consist of one judge from Holmes County, two judges each from Wayne and Tuscarawas Counties, and six judges from Stark County. The Board adopts its own budget, authorizes expenditures and hires and fires its own staff. SRCCC did not receive any funding from the County during 2007.

Holmes County Family and Children First Council (Council)

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

Medway Drug Enforcement Agency (Agency)

The Agency is an undercover investigative law enforcement agency, the objective of which is to remove illegal drugs from the community. The Agency is controlled by the Medway Council of Governments, consisting of two governing bodies: the General Assembly and the Governing Board. The County has two voting members on the General Assembly consisting of one County commissioner and one village or township representative chosen by a caucus of the villages and townships in the County. The County has three representatives on the Governing Board consisting of the County prosecutor, the County sheriff and one full-time village chief of police. The Wayne County Auditor and Treasurer, respectively serve as fiscal officer and custodian of funds for the Agency. For 2007, the County contributed \$75,645 to the Agency.

Mid-Eastern Ohio Regional Council (MEORC)

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

PUBLIC ENTITY RISK POOLS

County Risk Sharing Authority, Inc. (CORSA)

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

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

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 2007 was \$218,844.

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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

RELATED ORGANIZATIONS

Holmes County Public Library (Library)

The Library provides services aimed at enriching the lives of the citizens of the County through an informed and connected community. The County appoints the governing board of the Library; however, the County cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden on the County. The County serves in a ministerial capacity as taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the determination of its rate and duration, the County must place the levy on the ballot. The Library determines its own budget. The Holmes County Board of MR/DD contributed \$10,639 to the Library in 2007.

Holmes County Park District (District)

The District provides conservation and recreation programs for the benefit of the County's citizens. The three Park District Commissioners are appointed by the Probate Judge of the County. The District hires and fires its own staff, and does not rely on the County to finance deficits. The County is not financially accountable for the District or is the District financially dependent on the County. The District serves as its own taxing and debt issuance authority. The District did not receive any funding from the County in 2007.

Northeast Ohio Outreach Network (Network)

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

B. Fund Accounting

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

Public Assistance - This fund accounts for various Federal and State grants used to provide public assistance to general relief recipients and pay their providers of medical assistance, and for certain public social services.

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

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

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

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

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

C. Basis of Presentation and Measurement Focus

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

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

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

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

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

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

D. Basis of Accounting

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

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

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2007, but which were levied to finance year 2008 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue. Sales taxes and accounts receivable not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2007, are recorded as deferred revenue.

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

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

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

E. Budgetary Data

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

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

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the original and final amended certificates issued during 2007.

Appropriations - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2007 are included in the final budget amounts in the budget-to-actual comparisons.

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

F. Cash and Investments

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

During 2007, investments were limited to certificates of deposit, money market mutual funds, governmental securities and common stock. The investments in mutual funds and common stock are reported at fair value. The common stock is not traded on a quoted market; therefore, the year end fair value is determined as the average of the high and low sales price for the last quarter of 2007. For the money market mutual fund, fair value is determined by the fund's share price at December 31, 2007. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$626,042 which includes \$569,827 assigned from other County funds.

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

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. Cash and cash equivalents for the Joel Pomerene Hospital have been restated at January 1, 2007, on the statement of cash flows to exclude investments with an initial maturity date of more than three years.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

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

G. Patient Accounts Receivable and Revenue

The Joel Pomerene Hospital enterprise fund records a receivable and charges for services revenue when patient services are performed. Net charges for services are reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. In 2007, approximately 34 percent of the Hospital's total patient revenue was derived from Medicare payments while 10 percent was derived from Medicaid payments. Additionally, approximately 22 percent of the Hospital's total patient revenue was derived from individual self-payments in 2007. The remaining revenue was derived primarily from commercial insurance payments.

H. Inventories of Materials and Supplies

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

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

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

I. Capital Assets

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

The County increased the capitalization threshold from \$2,500 to \$5,000 during 2007. The County's infrastructure consists of roads, bridges, culverts and sanitary sewers. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. The County depreciates its capital assets using the straight-line method over the following useful lives:

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

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

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2007, the net interest expense incurred on proprietary fund construction projects was not material.

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at December 31, 2007, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Sick leave benefits are accrued using the "vesting" method. The County records a liability for accumulated unused sick leave for employees after 13 years of current service.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2007, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

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

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

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

L. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

M. Third-Party Settlements

The Joel Pomerene Hospital enterprise fund has agreements with Medicare and Medicaid that provide for reimbursement at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Joel Pomerene Hospital enterprise fund's established rates for services and amounts reimbursed by third-party payers. The Hospital has reached final settlement with Medicare through 2004 and Medicaid through 2003.

N. Assets Limited as to Use

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

O. Interfund Transactions

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

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

Activity between funds that is representative of lending/borrowing arrangements outstanding at year end are referred to as either "interfund receivable/interfund payable" for the current portion or "interfund loans to/from other funds" for the non-current portion of the interfund loans. All other outstanding balances outstanding between funds are reported as "due to/from other funds." These amounts are eliminated in the statement of net assets, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances". The County had internal balances of \$2,224 at December 31, 2007.

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

P. Fund Balance Reserves and Designations

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

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

S. Net Assets

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2007.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances/Net Assets

	<u>Deficit</u>
<u>Major enterprise fund</u>	
County disposal	\$ 3,610,021
<u>Nonmajor enterprise fund</u>	
East holmes water	6,723
<u>Nonmajor governmental funds</u>	
Child neglect and abuse	2,554
State victims assistance grant	311
Victim advocacy/office of criminal justice	7,342
Transportation	75,076

Other than the victim advocacy/office of criminal justice fund, these funds complied with State law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. Deficit fund balances/net assets resulted from adjustments for accrued liabilities.

B. Deficit Cash Fund Balance

The County had a negative cash fund balance in the victim advocacy/office of criminal justice fund indicating that revenue from other sources were used to pay obligations of the fund contrary to Ohio Revised Code Section 5705.10. For GAAP purposes, the amount has been reported as a fund liability.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Restatement of Fund Balances and Net Assets

Restatement of Fund Balances - A prior period adjustment is required to remove the activity for the Holmes County Home Auxiliary that is held outside the County Treasury. These monies were reported as a component of "Cash in segregated accounts" in the county home fund in the prior year.

The prior period adjustment had the following effect on the County's governmental fund balances as previously reported:

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle and Gas Tax</u>	<u>County Home</u>	<u>Public Assistance</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balance							
December 31, 2006	\$ 1,726,379	\$ 2,205,439	\$ 2,140,527	\$ 422,711	\$ 909,763	\$ 3,753,553	\$ 11,158,372
Adjustment for cash in segregated accounts	-	-	-	(174,159)	-	-	(174,159)
Adjusted fund balance, January 1, 2007	<u>\$ 1,726,379</u>	<u>\$ 2,205,439</u>	<u>\$ 2,140,527</u>	<u>\$ 248,552</u>	<u>\$ 909,763</u>	<u>\$ 3,753,553</u>	<u>\$ 10,984,213</u>

Restatement of Governmental Activities Net Assets - The governmental activities net assets have been restated to reflect the effect of the increase in capitalization threshold from \$2,500 to \$5,000 during 2007 and the adjustment for cash in segregated accounts.

These adjustments had the following effect on governmental activities net assets as previously reported:

Governmental activities net assets, December 31, 2006	\$ 33,147,323
<u>Adjustments:</u>	
Cash in segregated accounts	(174,159)
Increase in capitalization threshold	<u>(482,823)</u>
Restated governmental activities net assets, January 1, 2007	<u>\$ 32,490,341</u>

Enterprise Funds and Business-Type Activities - Restatement of Net Assets - The net assets of the enterprise funds and business-type activities have been restated at January 1, 2007, to account for the increase in capitalization threshold from \$2,500 to \$5,000 during 2007.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The adjustment had the following effect on net assets of the enterprise funds and business-type activities as previously reported:

	Enterprise Funds				Total Business-Type Activities
	Sewer District	County Disposal	Joel Pomerene Hospital	Other Enterprise Funds	
Net assets (deficits) at December 31, 2006	\$ 3,323,664	\$ (2,902,210)	\$ 23,517,072	\$ (4,717)	\$ 23,933,809
<u>Adjustment:</u>					
Increase in capitalization threshold	(23,063)	-	-	-	(23,063)
Restated net assets (deficits), as of January 1, 2007	\$ 3,300,601	\$ (2,902,210)	\$ 23,517,072	\$ (4,717)	\$ 23,910,746

D. Compliance

- i.* The following funds had actual receipts less than estimated receipts for the year ended December 31, 2007 in noncompliance with Ohio Revised Codes 5705.36 and 5705.39:

<u>Major fund</u>	<u>Estimated Receipts</u>	<u>Actual Receipts</u>	<u>Deficit</u>
County disposal	\$ 139,200	\$ 90,351	\$ (48,849)
<u>Nonmajor funds</u>			
Child support enforcement	660,984	609,376	(51,608)
Work enforcement act	187,719	118,226	(69,493)
Child neglect and abuse	18,000	-	(18,000)
Victims assistance	140,202	82,323	(57,879)
Victims advocacy/ office of criminal justice	60,000	47,900	(12,100)
Law enforcement	22,222	3,000	(19,222)
911 fund	68,020	13,861	(54,159)
Sheriff's overtime block grant	23,000	15,713	(7,287)
Federal equitable sharing	5,000	1,612	(3,388)
Jail kitchen	250,500	200,815	(49,685)
Probate court conduct of business	79,635	79,052	(583)
Disaster services	110,086	74,082	(36,004)
Youth services subsidy grant	421,317	159,632	(261,685)
Children services	1,353,621	1,169,827	(183,794)
Community corrections	38,706	-	(38,706)
Capital improvements	270,964	222,081	(48,883)
Recorder's equipment	157,000	23,696	(133,304)
East holmes water	9,000	5,744	(3,256)

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

- ii.* The following funds had appropriations in excess of estimated resources for the year ended December 31, 2007 in noncompliance with Ohio Revised Code 5705.39:

	<u>Appropriation</u>	<u>Estimated Resources</u>	<u>Excess</u>
<u>Major fund</u>			
Public assistance	\$ 4,706,949	\$ 4,630,363	\$ (76,586)
 <u>Nonmajor fund</u>			
Transportation coordination	1,616,721	1,616,093	(628)
Child neglect and abuse	22,643	18,000	(4,643)
Sheriff concealed handgun license	22,301	22,300	(1)

- iii.* The following funds had expenditure in excess of appropriations for the year ended December 31, 2007 in noncompliance with Ohio Revised Code 5705.41(B):

	<u>Appropriation</u>	<u>Ependiture</u>	<u>Excess</u>
<u>Major funds</u>			
Motor vehicle and gas tax	\$ 5,175,621	\$ 5,195,065	\$ 19,444

- iv.* For the year ended December 31, 2007, 36% of expenditures were not certified by the County Auditor as required by Ohio Revised Code 5705.41(D).

E. Change in Accounting Principles

For 2007, the County has implemented GASB Statement No. 48 "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the County; however, additional disclosure related to revenues pledged for the repayment of revenue bonds has been provided in Note 14.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (State Treasury Asset Reserve of Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies;
9. High grade commercial paper for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's total average portfolio.

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

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Unrecorded Cash

At year-end, the County had \$38,484 in unrecorded cash which is included on the financial statements as part of "Equity in Pooled Cash and Cash Equivalents."

B. Cash on Hand

At year-end, the County had \$209,024 in undeposited cash on hand which is included on the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents."

C. Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all County deposits, including nonnegotiable certificates of deposit and cash in segregated accounts, was \$20,225,133. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2007 \$18,446,746 of the County's bank balance of \$20,597,782 was exposed to custodial risk as discussed below, while \$2,151,036 was covered by the Federal Deposit Insurance Corporation.

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

D. Assets Limited as to Use

Assets limited as to use that are required for obligations classified as current liabilities are reported in current assets. The composition of assets limited to as to use is set forth in the following table:

Internally designated for future capital improvements:	
Cash and cash equivalents	\$ 2,076,368
Certificates of deposit	2,584,566
Investments in common stock and mutual funds	351,856
Interest receivable	<u>5,998</u>
	5,018,788
Funds available for future construction - cash and cash equivalents	<u>57,726</u>
Total assets limited as to use	<u>\$ 5,076,514</u>

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

E. Investments

The County had the following investments and maturities. This table also shows the percentage of each investment type held by the County at December 31, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		<u>Percent of Total</u>
		<u>Less than 1 year</u>	<u>Less than 5 years</u>	
Commercial Savings Bank Common Stock	\$ 152,224	N/A	\$ -	14.00%
Killbuck Savings Bank Common Stock	186,300	N/A	-	17.14%
Newell-Rubbermaid Common Stock	5,176	N/A	-	0.48%
U.S. Treasury Bonds	8,156	8,156	-	0.75%
U.S. Treasury Notes	50,168	50,168	-	4.62%
FNM Bank	196,667	80,157	116,510	18.10%
FHL Bank	95,636	70,097	25,539	8.80%
GE Capital Corp Notes	124,402	9,988	114,414	11.45%
Federated Mutual Funds - Equity	12,136	12,136	-	1.12%
Fidelity Mutual Funds - Equity	78,669	78,669	-	7.24%
T. Row Price Small Cap Stock	98,853	N/A	-	9.10%
Vanguard Mutual Funds - Equity	63,025	63,025	-	5.80%
Edward Jones	15,224	15,224	-	1.40%
	<u>\$ 1,086,636</u>	<u>\$ 387,620</u>	<u>\$ 256,463</u>	<u>100.00%</u>

Common stock has no maturity period.

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

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 20,225,133
Investments	1,086,636
Cash on hand	<u>209,024</u>
Total	<u>\$ 21,520,793</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 8,884,507
Business type activities	7,957,053
Component unit	131,392
Agency funds	<u>4,547,841</u>
Total	<u>\$ 21,520,793</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2007, consisted of the following, as reported on the fund financial statements:

Transfers from general fund to:	
Public assistance	\$ 113,662
Nonmajor governmental funds	663,334
Transfers from County board of mr/dd to:	
Nonmajor governmental funds	215,862
Transfers from nonmajor governmental funds to:	
County board of mr/dd	8,000
Public assistance	<u>765,207</u>
Total	<u>\$ 1,766,065</u>

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Due from/to other funds consisted of the following at December 31, 2007, as reported on the fund financial statements:

<u>Payables Funds</u>	Receivable Funds					
	General	County Home	Nonmajor Governmental	Total Governmental	Sewer District	Total All Funds
General	-	-	-	-	1,091	1,091
MR/DD	-	-	2,324	2,324	1,441	3,765
County home	-	-	-	-	1,502	1,502
Public assistance	-	-	18,098	18,098	-	18,098
Nonmajor governmental	<u>29,371</u>	-	-	<u>29,371</u>	-	<u>29,371</u>
Total governmental	<u>29,371</u>	-	<u>20,422</u>	<u>49,793</u>	<u>4,034</u>	<u>53,827</u>
Sewer district	<u>1,810</u>	-	-	<u>1,810</u>	-	<u>1,810</u>
Total all funds	<u><u>31,181</u></u>	-	<u><u>20,422</u></u>	<u><u>51,603</u></u>	<u><u>4,034</u></u>	<u><u>55,637</u></u>

Amounts due from/to other funds represent amounts owed between funds for goods or services provided and to cover negative cash balances. The balances resulted from the time lag between the dates that payments between the funds are made. Amounts due from/to other funds between governmental funds are eliminated for reporting on the statement of net assets.

- C.** Loans to/from other funds consisted of the following at December 31, 2007:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 55,000
Sewer district	Other enterprise funds	<u>8,000</u>
Total		<u><u>\$ 63,000</u></u>

Loans to/from other funds represent long-term interfund loans that are not expected to be repaid within one year. During fiscal 2003, the general fund loaned the transportation coordination fund (a nonmajor governmental fund) a total of \$55,000 which will be repaid over a period of approximately five years. The sewer district has loaned the east holmes water fund a total of \$8,000. This loan is being paid back over a number of years as resources become available.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 88% of true value for taxable transmission and distribution property and 25% of true value for all other taxable property. Tangible personal property taxes attach as a lien and are levied on January 1 of the current year.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

The assessed value upon which the 2007 taxes were collected was \$726,795,980. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2007, was \$12.55 per \$1,000 of assessed valuation.

The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

	<u>Assessed Value</u>
Real estate	\$ 650,156,150
Public utility property	27,322,520
Tangible personal	<u>49,317,310</u>
Total property taxes	<u>\$ 726,795,980</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 and the remainder payable June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

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

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 6 - PROPERTY TAXES - (Continued)

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

Since the current levy is not intended to finance 2007 operations, the receivable is offset by a credit to "unearned revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first 31 days of 2008 are shown as 2007 revenue; the remainder is shown as "deferred revenue". The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2007, consisted of taxes, loans, accounts (billings for user charged services), interfund transactions related to charges for goods and services rendered, and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the balance sheets and statement of net assets and all interfund transactions related to charges for goods and services rendered have been classified as "due from other funds" on the balance sheets and statement of net assets. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

A. Permissive Sales and Use Tax

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

Amounts that have been collected by the State and that are to be received within the available period are accrued as revenue on the fund financial statements. Each month, the sales tax revenue is allocated to three funds. The debt service fund receives \$35,000, the capital improvements fund receives \$6,000, and the remainder is allocated to the general fund. Sales tax revenue for 2007 amounted to \$4,421,452 as reported on the fund financial statements.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 7 - RECEIVABLES - (Continued)

B. Intergovernmental

A summary of the principal items of "due from other governments" as reported on the fund financial statements follows:

	<u>Amount</u>
<u>General Fund</u>	
Homestead and rollback	\$ 124,298
Local government	261,469
Revenue assistance	140,820
Grants	<u>36,835</u>
Total	<u>563,422</u>
<u>County Board of MR/DD</u>	
CAFS	86,007
Grants	5,685
Homestead and rollback	<u>130,225</u>
Total	<u>221,917</u>
<u>Motor Vehicle License and Gas Tax</u>	
Gasoline excise and motor vehicle license tax	<u>2,033,369</u>
Total	<u>2,033,369</u>
<u>County Home</u>	
Homestead and rollback	<u>45,315</u>
Total	<u>45,315</u>
<u>Public Assistance</u>	
Ohio Department of Job and Family Services	<u>442,415</u>
Total	<u>442,415</u>
<u>Nonmajor Governmental Funds</u>	
Work enforcement act	11,149
Victim advocacy/office of criminal justice	8,136
Probate court	14,696
Children services	<u>147,323</u>
Total	<u>181,304</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - RECEIVABLES - (Continued)

	<u>Amount</u>
<u>Agency Funds</u>	
County public library	\$ 651,472
Gasoline and license tax	645,434
Park district	5,737
State housing trust	663
Undivided local government revenue	71,083
Undivided local government	174,313
Total	1,548,702
Grand Total	\$ 5,036,444

C. Sewer Notes Receivable

The sewer district financed access fees for the Berlin wastewater treatment facility. The amounts owed to the sewer district for these services are recorded as “Note and loans receivable” on the financial statements. During 2007, the County received principal and interest payments of \$14,273 and \$8,293, respectively. As of December 31, 2007, there was \$133,197 in notes receivable.

NOTE 8 - NET CHARGE FOR SERVICE REVENUE

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

	<u>Sewer District</u>	<u>Joel Pomerene Hospital</u>	<u>East Holmes Water</u>	<u>Charges for Services Total</u>
Gross Charges for Service Revenue	\$ 656,727	\$ 52,674,263	\$ 6,800	\$ 53,337,790
Revenue Deductions:				
Provision for Contractual Allowances	-	(17,857,039)	-	(17,857,039)
Provision for Prompt Payment Discounts	-	(1,395,451)	-	(1,395,451)
Net Charges for Services Revenue	\$ 656,727	\$ 33,421,773	\$ 6,800	\$ 34,085,300

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 9 - ACCOUNTS RECEIVABLE

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

	<u>Gross</u> <u>Receivable</u>	<u>Contractual</u> <u>Adjustments</u>	<u>Uncollectible</u> <u>Adjustments</u>	<u>Net</u> <u>Receivable</u>
Sewer District	\$ 121,995	\$ -	\$ -	\$ 121,995
County Disposal	6,636	-	-	6,636
Joel Pomerene Hospital	11,959,617	(3,996,225)	(2,650,000)	5,313,392
East Holmes Water	<u>1,476</u>	<u>-</u>	<u>-</u>	<u>1,476</u>
Total Enterprise Funds	<u>\$ 12,089,724</u>	<u>\$ (3,996,225)</u>	<u>\$ (2,650,000)</u>	<u>\$ 5,443,499</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS

- A. The capital asset balances of the governmental and business-type activities have been restated as described in Note 3.B. The restatement to capital asset balances as previously reported follows:

	Balance <u>12/31/2006</u>	Adjustments	Restated Balance <u>01/01/2007</u>
<u>Governmental Activities:</u>			
Land	\$ 865,514	\$ (50,390)	\$ 815,124
Construction in progress	99,126	-	99,126
Buildings	18,020,204	(409,927)	17,610,277
Improvements other than buildings	81,466	(2,667)	78,799
Furniture, fixtures and equipment	3,712,519	(928,740)	2,783,779
Vehicles	3,892,240	76,535	3,968,775
Infrastructure	19,285,960	-	19,285,960
Less: accumulated depreciation	<u>(20,631,785)</u>	<u>832,366</u>	<u>(19,799,419)</u>
Total	<u>\$ 25,325,244</u>	<u>\$ (482,823)</u>	<u>\$ 24,842,421</u>

	Balance <u>12/31/2006</u>	Adjustments	Restated Balance <u>01/01/2007</u>
<u>Business-Type Activities:</u>			
Land	\$ 1,656,377	\$ (4,460)	\$ 1,651,917
Construction in progress	360,823	-	360,823
Buildings and improvement	2,682,547	(3,444)	2,679,103
Equipment and machinery	845,839	(22,850)	822,989
Sewer/water lines	4,188,236	-	4,188,236
Building and fixed equipment	11,684,079	-	11,684,079
Moveable inventory	10,770,389	-	10,770,389
Sub-specialty medical clinic	214,198	-	214,198
Modular medical office building	560,323	-	560,323
OB/GYN clinic moveable equipment	34,000	-	34,000
OB/GYN clinic goodwill	169,583	-	169,583
Less: accumulated depreciation	<u>(17,864,334)</u>	<u>7,691</u>	<u>(17,856,643)</u>
Total	<u>\$ 15,302,060</u>	<u>\$ (23,063)</u>	<u>\$ 15,278,997</u>

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the fiscal year ended December 31, 2007, was as follows:

<u>Governmental Activities:</u>	Restated Balance 01/01/2007	Additions	Deductions	Balance 12/31/2007
<i>Capital assets, not being depreciated:</i>				
Land	\$ 815,124	\$ 11,929	\$ -	\$ 827,053
Construction in progress	99,126	9,206	(99,126)	9,206
Total capital assets, not being depreciated	914,250	21,135	(99,126)	836,259
<i>Capital assets, being depreciated:</i>				
Buildings	17,610,277	95,508	-	17,705,785
Improvements other than buildings	78,799	-	-	78,799
Furniture, fixtures and equipment	2,783,779	341,960	(152,236)	2,973,503
Vehicles	3,968,775	325,182	(241,933)	4,052,024
Infrastructure	19,285,960	973,875	-	20,259,835
Total capital assets, being depreciated	43,727,590	1,736,525	(394,169)	45,069,946
<i>Less: accumulated depreciation:</i>				
Buildings	(6,379,903)	(471,883)	-	(6,851,786)
Improvements other than buildings	(70,101)	(8,428)	-	(78,529)
Furniture, fixtures and equipment	(1,911,031)	(219,303)	63,514	(2,066,820)
Vehicles	(2,041,889)	(386,473)	203,456	(2,224,906)
Infrastructure	(9,396,495)	(680,852)	-	(10,077,347)
Total accumulated depreciation	(19,799,419)	(1,766,939)	266,970	(21,299,388)
Total capital assets, being depreciated net	23,928,171	(30,414)	(127,199)	23,770,558
Governmental activities capital assets, net	\$ 24,842,421	\$ (9,279)	\$ (226,325)	\$ 24,606,817

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

	Restated Balance			Balance
<u>Business-Type Activities:</u>	<u>01/01/2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/2007</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,651,917	\$ 162,515	\$ -	\$ 1,814,432
Construction in progress	360,823	3,901,767	(3,486,147)	776,443
Total capital assets, not being depreciated	2,012,740	4,064,282	(3,486,147)	2,590,875
<i>Capital assets, being depreciated:</i>				
Buildings and improvement	2,679,103	-	-	2,679,103
Equipment and machinery	822,989	29,010	-	851,999
Sewer/water lines	4,188,236	-	-	4,188,236
Building and fixed equipment	11,684,079	3,565,235	-	15,249,314
Moveable inventory	10,770,389	1,526,181	(138,123)	12,158,447
Sub-specialty medical clinic	214,198	-	-	214,198
Modular medical office building	560,323	-	-	560,323
OB/GYN clinic moveable equipment	34,000	-	-	34,000
OB/GYN clinic goodwill	169,583	-	-	169,583
Total capital assets, being depreciated	31,122,900	5,120,426	(138,123)	36,105,203
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(926,709)	(67,837)	-	(994,546)
Equipment and machinery	(305,225)	(51,341)	-	(356,566)
Sewer/water lines	(1,483,637)	(105,706)	-	(1,589,343)
Building and fixed equipment	(8,901,061)	(764,006)	-	(9,665,067)
Moveable inventory	(5,603,406)	(609,150)	106,584	(6,105,972)
Sub-specialty medical clinic	(169,512)	(10,732)	-	(180,244)
Modular medical office building	(443,427)	(28,073)	-	(471,500)
OB/GYN clinic moveable equipment	(3,953)	(1,703)	-	(5,656)
OB/GYN clinic goodwill	(19,713)	(8,496)	-	(28,209)
Total accumulated depreciation	(17,856,643)	(1,647,044)	106,584	(19,397,103)
Total capital assets, being depreciated net	13,266,257	3,473,382	(31,539)	16,708,100
Business-type activities capital assets, net	\$ 15,278,997	\$ 7,537,664	\$(3,517,686)	\$ 19,298,975

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

Governmental activities:

Legislative and executive	\$ 112,080
Judicial	33,309
Public safety	263,769
Public works	886,589
Health	7,600
Human services	463,592
Total depreciation expense - governmental activities	\$ 1,766,939

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

Business-type activities:

Sewer district	\$ 224,884
Joel Pomerene Hospital	<u>1,422,160</u>
Total depreciation expense - business-type activities	<u>\$ 1,647,044</u>

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE

The Hospital has entered in various non-cancelable lease agreements for equipment. These capital leases are due in monthly installments including interest at rates ranging from 2.8 to 5.7 percent. They expire at various times through 2010 and are collateralized by the equipment leased. Capital assets consisting of equipment have been capitalized in the amount of \$742,417. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2007 was \$335,181, leaving a current book value of \$407,236. A corresponding liability was recorded in the statement of net assets. Principal payments in the 2007 fiscal year totaled \$164,342 paid by the Hospital.

The Sewer district enterprise fund has entered into capital leases for the acquisition of equipment. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases," Capital assets were capitalized at the present value of the minimum lease payments at the time the lease was entered into. The leased equipment is reported in the enterprise funds at \$461,115, which is equal to the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation through December 31, 2007 amounted to \$379,521 leaving a book value of \$81,594. The final principal payment was made during fiscal year 2007.

Such agreements provide for minimum, annual lease payments as follows:

<u>Year</u>	<u>Hospital</u>
2008	\$ 164,335
2009	82,974
2010	<u>39,131</u>
Total minimum lease payments	286,440
Less: Amounts representing interest	<u>(12,260)</u>
Present value of minimum lease payments	<u>\$ 274,180</u>

NOTE 12 - OPERATING LEASES - LESSEE DISCLOSURE

The Hospital has entered into various operating lease agreements for equipment which expired at various times during 2007. Equipment operating lease expense totaled \$568,353 in 2007.

Effective March 1, 1999, the Hospital signed a six year lease agreement for office space from Aultman Health Foundation. The lease expired March 1, 2005, at which time the Hospital exercised the option to begin renewing the lease on an annual basis up to an additional four years. Office lease expense totaled \$236,745 in 2007.

Effective April 27, 2004, the Hospital signed a ten-year lease agreement for a medical facility in Berlin, Ohio. The lease expires in 2014 with the option to lease for three additional three year terms. Lease expense was \$65,295 in 2007.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

Employees earn sick leave at a rate of 4.60 hours of sick leave for each completed 80 hours in active pay status. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid twenty-five percent to a maximum of 30 days of accumulated, unused sick leave. As of December 31, 2007, the total liability for unpaid compensated absences was \$1,304,226 (both governmental and business-type activities).

B. Health and Life Insurance

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

NOTE 14 - LONG-TERM OBLIGATIONS

A. Long-Term Obligations

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

	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>
<u>General Obligation Bonds:</u>			
1994 Jail	5.25%	\$ 2,700,000	12/1/2024
1995 Job and Family Services			
Various Purpose	3.9-5.8%	\$ 1,740,000	12/1/2019
1998 Capital Facilities	4.25%	\$ 2,400,000	12/1/2012
<u>Revenue Bonds:</u>			
1997 Sewer	5.00%	\$ 2,977,000	5/1/2037
<u>OPWC Loans:</u>			
Sanitary Sewer Plant	0.00%	\$ 58,226	7/1/2022
Mt. Hope	0.00%	\$ 78,018	1/1/2021
Walnut Creek	0.00%	\$ 167,254	7/1/2026

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

B. Governmental Activities Long-Term Obligations

During the fiscal year 2007, the following activity occurred in the County's governmental long-term obligations:

	<u>Balance</u> <u>12/31/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2007</u>	<u>Amount</u> <u>Due in</u> <u>One Year</u>
<u>General obligation bonds:</u>					
Series 1994 Jail bond	\$ 2,072,000	\$ -	\$ (72,000)	\$ 2,000,000	\$ 76,000
Series 1995 Various purpose bond	1,200,000	-	(65,000)	1,135,000	65,000
Series 1998 Capital facilities bond	<u>1,150,000</u>	<u>-</u>	<u>(170,000)</u>	<u>980,000</u>	<u>180,000</u>
Total general obligation bonds	<u>\$ 4,422,000</u>	<u>\$ -</u>	<u>\$ (307,000)</u>	<u>\$ 4,115,000</u>	<u>\$ 321,000</u>
<u>Other long-term obligations:</u>					
Compensated absences payable	<u>\$ 1,041,498</u>	<u>\$ 1,011,175</u>	<u>\$ (778,578)</u>	<u>\$ 1,274,095</u>	<u>\$ 910,394</u>
Total other long-term obligations	<u>\$ 1,041,498</u>	<u>\$ 1,011,175</u>	<u>\$ (778,578)</u>	<u>\$ 1,274,095</u>	<u>\$ 910,394</u>
Total governmental activities long-term obligations	<u>\$ 5,463,498</u>	<u>\$ 1,011,175</u>	<u>\$ (1,085,578)</u>	<u>\$ 5,389,095</u>	<u>\$ 1,231,394</u>

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

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

<u>Major Governmental Funds</u>	<u>Non Major Governmental Funds</u>
General	Dog and kennel
Motor vehicle license and gas tax	Tax map
County board of MR/DD	Child support enforcement
County home	Intensive supervision
Public assistance	Recycling and litter
<u>Major Enterprise Funds</u>	State victims assistance
Sewer district	Transportation coordination
County disposal	Jail kitchen
	Disaster services
	Youth services
	Employee expended

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 321,000	\$ 218,605	\$ 539,605
2009	335,000	202,050	537,050
2010	354,000	184,791	538,791
2011	373,000	166,525	539,525
2012	393,000	147,271	540,271
2013 - 2017	1,053,000	525,375	1,578,375
2018 - 2022	951,000	224,166	1,175,166
2023 - 2024	335,000	26,617	361,617
Total	<u>\$ 4,115,000</u>	<u>\$ 1,695,400</u>	<u>\$ 5,810,400</u>

C. Business-Type Activities Long-term Obligations

During fiscal year 2007, the following changes occurred in the County's business-type activities long-term obligations:

	<u>Maturity</u>	<u>Interest</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>Date</u>	<u>Rate</u>	<u>12/31/2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2007</u>	<u>Due in</u>
							<u>One Year</u>
<u>Revenue bonds:</u>							
Series 1997 Sewer bonds	2037	5.0%	\$ 2,531,500	\$ -	\$ (38,000)	\$ 2,493,500	\$ 40,000
Total revenue bonds			<u>2,531,500</u>	<u>-</u>	<u>(38,000)</u>	<u>2,493,500</u>	<u>40,000</u>
<u>OPWC Loans:</u>							
Sanitary Sewer Plant	2022	0%	45,125	-	(2,911)	42,214	2,911
Mt. Hope	2021	0%	54,614	-	(3,901)	50,713	3,901
Walnut Creek	2026	0%	27,537	135,536	(8,363)	154,710	8,363
Total OPWC loans			<u>127,276</u>	<u>135,536</u>	<u>(15,175)</u>	<u>247,637</u>	<u>15,175</u>
<u>Other long-term obligations:</u>							
Capital leases-equipment			310,600	142,718	(179,138)	274,180	156,078
Landfill closure and postclosure care liability			3,330,957	679,051	-	4,010,008	-
Compensated absences			17,048	32,542	(19,459)	30,131	25,097
Total other long-term obligations			<u>3,658,605</u>	<u>854,311</u>	<u>(198,597)</u>	<u>4,314,319</u>	<u>181,175</u>
Total business-type activities long-term obligations			<u>\$ 6,317,381</u>	<u>\$ 989,847</u>	<u>\$ (251,772)</u>	<u>\$ 7,055,456</u>	<u>\$ 236,350</u>

Revenue Bonds: The City has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2,977,000 in bonds. The bonds are payable solely from sewer customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 66 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,031,200. Principal and interest paid for the current year and total customer net revenues were \$165,398 and \$109,806 respectively.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	Revenue bonds			OPWC Loans		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 40,000	\$ 133,350	\$ 173,350	\$ 15,175	\$ -	\$ 15,175
2009	42,000	131,350	173,350	15,176	-	15,176
2010	45,000	129,250	174,250	15,176	-	15,176
2011	46,000	127,000	173,000	15,175	-	15,175
2012	49,000	124,700	173,700	15,175	-	15,175
2013 - 2017	283,000	584,350	867,350	75,875	-	75,875
2018 - 2022	361,000	506,150	867,150	66,615	-	66,615
2023 - 2027	461,000	406,350	867,350	29,270	-	29,270
2028 - 2032	589,000	278,950	867,950	-	-	-
2033 - 2036	577,500	116,250	693,750	-	-	-
Total	\$ 2,493,500	\$ 2,537,700	\$ 5,031,200	\$ 247,637	\$ -	\$ 247,637

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

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was \$14,559,431 at December 31, 2007 and the unvoted legal debt margin was \$5,946,800 at December 31, 2007.

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for liability, property, and crime insurance. The CORSA program has a \$2,500 deductible.

Coverage provided by CORSA is as follows:

General Liability (per occurrence)	\$ 1,000,000
Stop Loss (aggregate excess)	1,000,000
Automobile Liability (per occurrence)	1,000,000
Uninsured Motorist Liability (per occurrence)	250,000

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - RISK MANAGEMENT - (Continued)

Law Enforcement Liability (per occurrence)	\$1,000,000
Errors and Omissions Liability	
- Per occurrence	1,000,000
- Annual aggregate	1,000,000
Crime Coverage (per each occurrence)	
Employee Dishonesty/Faithful Performance	1,000,000
Money and Securities (inside and outside)	1,000,000
Depositor's Forgery	1,000,000
Money Orders and Counterfeit Paper Currency	1,000,000
Building and Contents	63,409,210
Other Property Insurance:	
Valuable Papers	1,000,000
Extra Expense	1,000,000
Electronic Data Processing	Replacement Cost
Contractors Equipment	Actual Cash Value
Inland Marine	1,000,000
Motortruck Cargo	100,000
Flood and Earthquake (pool limit)	100,000,000
Auto Physical Damage	Actual Cash Value
Comprehensive Boiler and Machinery	100,000,000
EDP Equipment	100,000 per policy
EDP Media	100,000 per policy
Unintentional omissions (per occurrence)	250,000
Newly acquired location	5,000,000
Debris Removal	1,000,000 each

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

For 2007, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 2.A.). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria.

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 15 - RISK MANAGEMENT - (Continued)

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

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

NOTE 16 - PENSION PLANS

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642, by calling (614) 222-5601 or (800) 222-7377, or by visiting the OPERS website at www.opers.org.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The County's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the County's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$1,257,053, \$1,339,350, and \$1,261,411, respectively; 100% has been contributed for fiscal years 2007, 2006 and 2005.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 16 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

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

Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

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

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

For the year ended December 31, 2007, plan members were required to contribute 10% of their annual covered salary and the County was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal years 2006 and 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's required contribution for pension obligations for the DBP for the years ended December 31, 2007, 2006, and 2005 was \$110,266, \$108,827, and \$104,766, respectively; 100% has been contributed for fiscal years 2007, 2006 and 2005.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% for the period July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (9 and beyond) health care costs were assumed to increase at 4.00%.

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

The number of active contributing participants in the traditional and combined plans was 374,979 as of December 31, 2007. The County's actual employer contributions for 2007 which were used to fund postemployment benefits were \$830,821. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

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

B. State Teachers Retirement System of Ohio

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended December 31, 2006, the Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the County, this amount was \$8,482.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. The balance in the Fund was \$4.1 billion at June 30, 2007. For the fiscal year ended June 30, 2007, net health care costs paid by STRS were \$265.558 million, and STRS had 122,934 eligible benefit recipients.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as payables (GAAP basis).

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

Net Change in Fund Balances

	<u>General</u>	<u>County Board of MR/DD</u>	<u>Motor Vehicle License and Gas Tax</u>	<u>County Home</u>	<u>Public Assistance</u>
Budget basis	\$ (683,239)	\$ (209,194)	\$ (546,559)	\$ 95,820	\$ 2,668
Net adjustment for revenue accruals	261,391	(64,404)	(110,969)	5,928	(77,706)
Net adjustment for expenditure accruals	(211,868)	(32,969)	(292,172)	(496)	11,964
Net adjustment for other financing sources/(uses)	-	-	-	-	(100,000)
Encumbrances (budget basis)	<u>60,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ (573,025)</u>	<u>\$ (306,567)</u>	<u>\$ (949,700)</u>	<u>\$ 101,252</u>	<u>\$ (163,074)</u>

NOTE 19 - CONTINGENCIES

A. Grants

The County received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2007.

B. Litigation

The County is party to legal proceedings. The County's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material adverse effect, if any, on the financial condition of the County at December 31, 2007.

NOTE 20 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$4,010,008 reported as landfill closure and postclosure care liability at December 31, 2007, represents the cumulative amount reported to date based on the use of 73.4 percent of the estimated capacity of the landfill. Based on current usage, the remaining useful life is estimated to be 64 years. At December 31, 2007, the total estimated cost to perform closure and postclosure care of the landfill was \$5,463,058. This amount represents an estimate of what it would cost to perform all closure and postclosure care at December 31, 2007. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,453,050 as the remaining estimated capacity is filled. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 20 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST - (Continued)

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

NOTE 21 - CHARITY CARE

The Hospital provides uncompensated care to indigent patients. The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy. Charges foregone for services rendered under the Hospital's charity care policy amount to approximately \$1,395,000 in 2007.

NOTE 22 - ADVERTISING

The Hospital expenses advertising costs as they are incurred. Advertising expense was \$147,897 for 2007. Advertising expenses are included in the enterprise funds' operating expenses in these financial statements.

NOTE 23 - MEDICAL MALPRACTICE CLAIMS

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

NOTE 24 - RELATED PARTY TRANSACTIONS

During 2007, 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 \$319,463 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 Northeast Ohio Health Outreach Network (Network) is controlled by four area hospitals, one of which is Joel Pomerene Memorial Hospital. The Network was established to receive federal grant monies from the U.S. Department of Housing and Urban Development (HUD). Funds are distributed to the Hospital directly from HUD as determined by the Network.

NOTE 25 - INCOME GRANTS AND FORGIVENESS OF EDUCATIONAL LOANS

As part of the Hospital's recruitment program for new physicians, the Hospital offers income grants and forgiveness of education loans in exchange for a commitment to a minimum term of service. As of December 31, 2007, the loan receivable in connection with these income grants and forgiveness of education loans was \$450,565. The loans will be forgiven over time as physicians fulfill their committed term of service.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 26 - HOLMES COUNTY REGIONAL PLANNING COMMISSION

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

A. Basis of Accounting

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

B. Deposits and Investments

The County acts as the custodian of the Commission's funds. Cash and cash equivalents of the Commission are pooled and invested by the County. Information regarding the classification of the County's deposits and investments per GASB Statement No. 40 may be found in Note 4.

C. Compensated Absences

The Commission records liabilities for vacation and sick leave accumulated by its employees at the same rate as the County (See Note 2.J.). At December 31, 2007, vacation and severance liability were \$13,863 and \$21,374, respectively. The entire compensated absences liability is reported on the government-wide financial statements.

NOTE 27 - LYNN HOPE INDUSTRIES, INC.

A. Summary of Significant Accounting Policies

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

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

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

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 27 - LYNN HOPE INDUSTRIES, INC. - (Continued)

Depreciation is based on the following policies:

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

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

Designation of Contributions - Contributors to the Organization have the ability to designate the programs to be benefited by their contributions. During the year ended December 31, 2007 there was no restricted contributions to the Organization.

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

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

Advertising - Costs of advertising are expensed as incurred.

Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Organization and that are either unusual in nature or infrequent in occurrence.

During 2007, the Organization was forgiven for notes payable in the amount of \$11,500. This amount has been presented on the statement of activities as a gain.

B. Non-Cash Transactions

The Organization received in-kind services and facilities for the year ended December 31, 2007 from the Holmes County Board of MR/DD. The value of the in-kind contribution was determined to be \$319,463 and is recorded in operating grants and operating expenses as an equivalent amount.

C. Deposits and Investments

The carrying amount and bank balance of the Organizations deposits at year end was \$66,013. The entire bank balance was covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

D. Related Parties

Total revenues from contracts to provide services to the Holmes County Board of MR/DD were \$22,123 for the year ended December 31, 2007. The Organization had \$2,735 in accounts receivable from the Holmes County Board of MR/DD at December 31, 2007.

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 27 - LYNN HOPE INDUSTRIES, INC. - (Continued)

E. Long-Term Liabilities

Long-term liabilities at December 31, 2007 consist of the following:

Note payable - bank. Monthly payments of \$1,792 include interest at 6%. The final payment is due May 2020. The note is not collateralized.	<u>\$ 172,332</u>
	172,332
Less: current portion	<u>(11,473)</u>
Total	<u>\$ 160,859</u>

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

2008	\$ 11,473
2009	12,181
2010	12,932
2011	13,730
2012	14,577
2013 - 2017	55,088
2018 - 2020	<u>52,351</u>
Total	<u>\$ 172,332</u>

F. Capital Assets

A summary of capital assets at December 31, 2007 follows:

Equipment	\$ 75,263
Vehicles	<u>9,842</u>
Subtotal	85,105
Less: accumulated depreciation	<u>(61,616)</u>
Net capital assets	<u>\$ 23,489</u>

G. Deficit Net Assets

The Organization had a deficit net asset balance of \$62,524 at December 31, 2007. This deficit balance was caused by accrued liabilities at year-end.

HOLMES COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 28 - HOLMES COUNTY AIRPORT AUTHORITY

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

A. Basis of Accounting

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

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

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

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

A summary of capital assets at December 31, 2007, follows:

Land	\$ 54,357
Buildings and improvements	581,743
Equipment	<u>133,352</u>
Subtotal	769,452
Less: accumulated depreciation	<u>(312,965)</u>
Net capital assets	<u>\$ 456,487</u>

B. Deposits with Financial Institutions

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

HOLMES COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 28 - HOLMES COUNTY AIRPORT AUTHORITY - (Continued)

At December 31, 2007, the carrying amount of the Airport Authority's deposits was \$310,185. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2007, \$174,174 of the Airport Authority's bank balance of \$310,185 was exposed to custodial risk as discussed below, while \$136,011 was covered by the Federal Deposit Insurance Corporation.

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major Special Revenue Funds

County Board of Mental Retardation and Developmentally Disabled (MR/DD)

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

Motor Vehicle License and Gas Tax

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

County Home

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

Public Assistance

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

Nonmajor Special Revenue Funds

Dog and Kennel

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

Child Support Enforcement

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

Work Enforcement Act

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

Child Neglect and Abuse

To account for State, Federal, and Local Revenues used to administer child neglect and abuse education by the Holmes County Department of Job and Family Services.

Real Estate Assessment

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

Delinquent Real Estate Collection

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

Delinquent Real Estate Prosecutor

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

ODNR Grant

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

Victims Assistance

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

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Jury Administration

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

License Bureau

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

Victim Advocacy/Office of Criminal Justice

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

911 Wireless Project

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

Law Enforcement Domestic Terrorism

To account for grants received through the U.S. Department of Homeland Security that are to be expended to provide education and equipment for law enforcement officers regarding domestic terrorism.

Indigent Guardianship

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

General Special Projects Common Pleas

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

Sheriff Concealed Handgun License

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

Education and Enforcement

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

911

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

Special Projects

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

Employee Expended

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

Transportation Coordination

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

Certificate Title Administration

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

Sheriff's Overtime Block Grant

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

Courthouse Security Grant

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

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Federal Equitable Sharing

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

Scenic Byways

Grant for beautifying highways.

Community Development

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

Community Development/1999 Grant

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

Domestic Violence

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

Jail Kitchen

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

Indigent Drivers Alcohol

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

Tax Map

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

Probate Court Conduct of Business

To account for monies used for probate court business.

Disaster Services

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

Community Housing Improvement

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

Youth Services Subsidy Grant

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

Recycling and Litter

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

Children Services

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

Community Corrections

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

HOLMES COUNTY, OHIO

INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS -GOVERNMENTAL FUNDS

NONMAJOR DEBT SERVICE FUND

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

CAPITAL PROJECTS

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

Nonmajor Capital Projects Funds

Mental Retardation Capital

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

Capital Improvements

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

Landfill Capital Projects

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

Capital Computerization

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

Recorder's Equipment

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 2,174,500	\$ 2,174,500	\$ 2,204,721	\$ 30,221
Sales taxes	3,922,000	3,922,000	3,766,875	(155,125)
Charges for services	1,121,900	1,308,690	1,581,578	272,888
Licenses and permits	95,590	95,590	91,329	(4,261)
Fines and forfeitures	102,000	102,942	119,069	16,127
Intergovernmental	1,041,700	1,056,700	1,104,859	48,159
Investment income	450,000	450,000	612,447	162,447
Rental Income	8,200	8,200	16,984	8,784
Donations	-	50,000	50,000	-
Other	195,000	290,404	245,461	(44,943)
Total revenues	<u>9,110,890</u>	<u>9,459,026</u>	<u>9,793,323</u>	<u>334,297</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Commissioners				
Personal services	234,843	239,443	237,624	1,819
Materials and supplies	2,200	2,200	2,074	126
Contractual services	768,968	835,449	832,897	2,552
Capital outlay	10,000	14,346	9,346	5,000
Other	20,000	36,389	36,209	180
Total commissioners	<u>1,036,011</u>	<u>1,127,827</u>	<u>1,118,150</u>	<u>9,677</u>
Auditor - General:				
Personal services	239,965	241,260	235,110	6,150
Materials and supplies	30,225	28,230	20,189	8,041
Contractual services	46,000	47,320	94,148	(46,828)
Capital outlay	6,293	7,493	7,493	-
Other	7,650	5,830	4,952	878
Total auditor	<u>330,133</u>	<u>330,133</u>	<u>361,892</u>	<u>(31,759)</u>
Auditor - Personal Property:				
Materials and supplies	2,175	2,175	1,373	802
Total auditor-personal property	<u>2,175</u>	<u>2,175</u>	<u>1,373</u>	<u>802</u>
Treasurer				
Personal services	114,701	114,701	108,927	5,774
Materials and supplies	16,000	16,300	15,746	554
Contractual services	12,600	12,300	10,621	1,679
Other	1,760	1,760	1,758	2
Total treasurer	<u>145,061</u>	<u>145,061</u>	<u>137,052</u>	<u>8,009</u>
Prosecutor				
Personal services	325,829	341,829	341,647	182
Materials and supplies	9,000	8,756	8,743	13
Contractual services	67,324	46,004	46,754	(750)
Capital outlay	815	815	-	815
Total prosecutor	<u>402,968</u>	<u>397,404</u>	<u>397,144</u>	<u>260</u>

-- Continued

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
County Office Examinations:				
Contractual services	\$ 99,000	\$ 101,500	\$ 101,285	\$ 215
Total county office examinations	99,000	101,500	101,285	215
Budget Commission:				
Materials and supplies	75	75	-	75
Total budget commission	75	75	-	75
Board of Revisions:				
Materials and supplies	650	650	226	424
Total board of revisions	650	650	226	424
Recorder:				
Personal services	111,327	114,377	113,977	400
Materials and supplies	6,000	4,000	3,488	512
Other	1,700	1,700	1,680	20
Total recorder	119,027	120,077	119,145	932
Board of Elections:				
Personal Services	93,225	92,514	92,419	95
Materials and supplies	16,000	17,500	17,472	28
Other	3,973	9,223	9,069	154
Total board of elections	113,198	119,237	118,960	277
Maintenance and Operations				
Personal services	129,050	129,050	127,499	1,551
Materials and supplies	36,580	38,880	36,387	2,493
Contractual services	388,000	400,800	383,887	16,913
Capital outlay	101,150	115,307	114,233	1,074
Total maintenance and operations	654,780	684,037	662,006	22,031
Tax Map				
Personal services	83,200	89,828	89,828	-
Materials and supplies	3,000	2,423	2,423	-
Contractual services	2,200	2,324	2,324	-
Capital Outlay	2,000	1,067	1,067	-
Other	400	-	-	-
Total tax map	90,800	95,642	95,642	-
Insurance and Pensions				
Personal services	730,000	780,694	780,694	-
Contractual services	868,500	905,636	905,325	311
Other	89,998	12,499	12,499	-
Total insurance and pensions	1,688,498	1,698,829	1,698,518	311
Total general government - legislative and executive	4,682,376	4,822,647	4,811,393	11,254

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Judicial				
Common Pleas Court				
Personal services	\$ 230,610	\$ 231,110	\$ 202,152	\$ 28,958
Materials and supplies	23,587	23,087	13,149	9,938
Capital outlay	4,563	4,563	2,836	1,727
Other	2,500	2,500	2,123	377
Total common pleas court	<u>261,260</u>	<u>261,260</u>	<u>220,260</u>	<u>41,000</u>
Adult Probation				
Personal services	156,851	156,676	155,638	1,038
Materials and supplies	18,500	18,500	17,892	608
Capital outlay	2,130	2,305	2,250	55
Total adult probation	<u>177,481</u>	<u>177,481</u>	<u>175,780</u>	<u>1,701</u>
Law Library				
Personal services	2,640	3,000	3,000	-
Total law library	<u>2,640</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Juvenile Court				
Personal services	139,367	133,367	132,435	932
Materials and supplies	4,864	4,864	4,780	84
Contractual services	128,481	117,481	81,329	36,152
Other	1,299	4,299	4,281	18
Total juvenile court	<u>274,011</u>	<u>260,011</u>	<u>222,825</u>	<u>37,186</u>
Probate Court				
Personal services	83,852	96,852	96,012	840
Materials and supplies	11,346	11,346	11,024	322
Other	500	500	388	112
Total probate court	<u>95,698</u>	<u>108,698</u>	<u>107,424</u>	<u>1,274</u>
Clerk of Courts				
Personal services	232,564	236,359	236,243	116
Materials and supplies	26,372	21,577	21,239	338
Contractual services	3,430	4,430	4,078	352
Total clerk of courts	<u>262,366</u>	<u>262,366</u>	<u>261,560</u>	<u>806</u>
County Court				
Personal services	218,037	218,076	203,734	14,342
Materials and supplies	18,000	22,976	22,264	712
Contractual services	2,500	1,485	1,365	120
Other	500	-	-	-
Total county court	<u>239,037</u>	<u>242,537</u>	<u>227,363</u>	<u>15,174</u>
Juvenile Probation				
Personal services	200	200	200	-
Materials and supplies	5,600	6,600	5,967	633
Other	542	542	461	81
Total juvenile probation	<u>6,342</u>	<u>7,342</u>	<u>6,628</u>	<u>714</u>

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Common Pleas Jury Commission				
Personal services.	\$ 1,894	\$ 1,894	\$ 1,894	\$ -
Materials and supplies	300	300	205	95
Total common pleas jury commission	2,194	2,194	2,099	95
Court of Appeals				
Other.	5,000	5,578	5,578	-
Total court of appeals	5,000	5,578	5,578	-
Total general government - judicial	1,326,029	1,330,467	1,232,517	97,950
Total general government	6,008,405	6,153,114	6,043,910	109,204
Public Safety				
Jail				
Personal services.	781,638	799,589	799,589	-
Materials and supplies	3,450	2,002	2,002	-
Contractual services	145,000	146,212	146,212	-
Capital outlay	45,000	62,360	62,360	-
Other.	1,000	913	913	-
Total jail	976,088	1,011,076	1,011,076	-
Coroner				
Personal services.	34,846	34,846	34,235	611
Materials and supplies	50	50	-	50
Other.	10,000	10,000	9,948	52
Total coroner.	44,896	44,896	44,183	713
Sheriff				
Personal services.	1,057,320	1,230,120	1,230,120	-
Materials and supplies	130,715	136,354	136,354	-
Contractual services	49,741	62,905	62,905	-
Capital outlay	41,200	70,921	70,697	224
Other.	4,000	3,664	3,664	-
Total sheriff	1,282,976	1,503,964	1,503,740	224
Sheriff Policing Rotary				
Personal services.	-	29,611	29,611	-
Other.	-	223,882	223,882	-
Total sheriff policing rotary.	-	253,493	253,493	-
Total public safety	2,303,960	2,813,429	2,812,492	937
Public Works				
Highways				
Other.	26,990	26,990	26,990	-
Total highways	26,990	26,990	26,990	-
Airport				
Grant in Aid	15,000	15,000	15,000	-
Other.	16,200	16,200	16,192	8
Total airport.	31,200	31,200	31,192	8
Total Public Works	58,190	58,190	58,182	8

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Health				
TB Clinic and Care				
Contractual services	\$ 998	\$ 498	\$ -	\$ 498
Total tb clinic and care	998	498	-	498
Registration Vital Statistics				
Contractual services	1,800	2,112	2,112	-
Total registration vital statistics	1,800	2,112	2,112	-
Other Health Department				
Contractual services	73,293	73,293	73,293	-
Total other health department	73,293	73,293	73,293	-
Total health	76,091	75,903	75,405	498
Human Services				
Veteran's Services				
Personal services	145,420	160,420	134,275	26,145
Materials and supplies	31,000	56,000	32,343	23,657
Contractual services	157,290	117,290	71,995	45,295
Capital outlay	14,000	14,000	5,020	8,980
Other	3,000	3,000	1,656	1,344
Total veteran's services	350,710	350,710	245,289	105,421
Total human services	350,710	350,710	245,289	105,421
Conservation and recreation				
Other				
Contractual services	160,000	160,000	160,000	-
Total other	160,000	160,000	160,000	-
Agriculture Department				
Grant	237,000	299,370	299,370	-
Other	2,300	1,986	1,986	-
Total agriculture department	239,300	301,356	301,356	-
Total conservation and recreation	399,300	461,356	461,356	-
Other				
Contractual services	-	3,000	2,932	68
Total other	-	3,000	2,932	68
Total expenditures	9,196,656	9,915,702	9,699,566	216,136
Excess of Revenues Over (Under) Expenditures	(85,766)	(456,676)	93,757	550,433

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HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing uses:				
Transfers out.	\$ (735,616)	\$ (776,996)	\$ (776,996)	\$ -
Total other financing uses.	<u>(735,616)</u>	<u>(776,996)</u>	<u>(776,996)</u>	<u>-</u>
Net change in fund balance	(821,382)	(1,233,672)	(683,239)	550,433
Fund balance at beginning of year.	1,474,056	1,474,056	1,474,056	-
Prior year encumbrances appropriated	<u>22,751</u>	<u>22,751</u>	<u>22,751</u>	<u>-</u>
Fund balance at end of year	<u>\$ 675,425</u>	<u>\$ 263,135</u>	<u>\$ 813,568</u>	<u>\$ 550,433</u>

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,382,889	\$ 150,045	\$ 587,783	\$ 4,120,717
Receivables (net of allowance for uncollectibles):				
Sales taxes.	-	70,000	12,000	82,000
Accounts	178,972	-	6,006	184,978
Due from other funds.	20,422	-	-	20,422
Due from other governments.	181,304	-	-	181,304
Prepayments	5,801	-	-	5,801
Materials and supplies inventory	7,730	-	-	7,730
Total assets	<u>\$ 3,777,118</u>	<u>\$ 220,045</u>	<u>\$ 605,789</u>	<u>\$ 4,602,952</u>
Liabilities:				
Accounts payable	\$ 149,659	\$ -	\$ 1,325	\$ 150,984
Compensated absences payable.	6,922	-	-	6,922
Accrued wages and benefits.	55,062	-	-	55,062
Loans from other funds	55,000	-	-	55,000
Due to other funds.	29,371	-	-	29,371
Due to other governments.	76,916	-	4,383	81,299
Deferred revenue	227,081	35,000	6,000	268,081
Total liabilities	<u>600,011</u>	<u>35,000</u>	<u>11,708</u>	<u>646,719</u>
Fund Balances:				
Reserved for encumbrances	36,614	-	650	37,264
Reserved for prepayments	5,801	-	-	5,801
Reserved for materials and supplies inventory.	7,730	-	-	7,730
Unreserved:				
Designated for compensated absences	250,000	-	-	250,000
Undesignated, reported in:				
Special revenue funds.	2,876,962	-	-	2,876,962
Debt service fund.	-	185,045	-	185,045
Capital projects funds.	-	-	593,431	593,431
Total fund balances.	<u>3,177,107</u>	<u>185,045</u>	<u>594,081</u>	<u>3,956,233</u>
Total liabilities and fund balances	<u>\$ 3,777,118</u>	<u>\$ 220,045</u>	<u>\$ 605,789</u>	<u>\$ 4,602,952</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 4,629	\$ -	\$ -	\$ 4,629
Sales taxes	153	420,000	217,465	637,618
Charges for services	2,539,137	-	23,624	2,562,761
Licenses and permits	166,968	-	-	166,968
Fines and forfeitures	78,614	-	78,484	157,098
Intergovernmental	2,521,498	-	23,200	2,544,698
Investment income	13,798	-	4,299	18,097
Rental income	-	134,308	-	134,308
Other	89,503	-	14,613	104,116
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,414,300	554,308	361,685	6,330,293
Expenditures:				
Current:				
General government:				
Legislative and executive	1,230,720	-	-	1,230,720
Judicial	168,551	-	-	168,551
Public safety.	455,091	-	-	455,091
Public works.	1,905,205	-	-	1,905,205
Health	159,590	-	-	159,590
Human services	1,345,592	-	-	1,345,592
Capital outlay	-	-	428,680	428,680
Debt service:				
Principal retirement	-	307,000	-	307,000
Interest and fiscal charges	-	233,173	-	233,173
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,264,749	540,173	428,680	6,233,602
Excess (deficiency) of revenues over (under) expenditures.	<hr/>	<hr/>	<hr/>	<hr/>
	149,551	14,135	(66,995)	96,691
Other financing sources (uses):				
Transfers in	663,334	-	215,862	879,196
Transfers out	(765,207)	-	(8,000)	(773,207)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(101,873)	-	207,862	105,989
Net change in fund balances.	47,678	14,135	140,867	202,680
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	3,129,429	170,910	453,214	3,753,553
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 3,177,107	\$ 185,045	\$ 594,081	\$ 3,956,233

HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007

	<u>Dog and Kennel</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>	<u>Child Neglect and Abuse</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 53,985	\$ 464,974	\$ 82,438	\$ -
Receivables (net of allowance for uncollectibles):				
Accounts	431	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	11,149	-
Prepayments	400	-	-	-
Materials and supplies inventory	645	-	-	-
Total assets.	<u>\$ 55,461</u>	<u>\$ 464,974</u>	<u>\$ 93,587</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 8,376	\$ 2,554
Accrued wages and benefits	2,409	5,784	-	-
Compensated absences payable	6,922	-	-	-
Loans from other funds	-	-	-	-
Due to other funds	-	21,081	-	-
Due to other governments	3,104	9,257	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>12,435</u>	<u>36,122</u>	<u>8,376</u>	<u>2,554</u>
Fund Balances:				
Reserved for encumbrances	17,000	-	-	-
Reserved for prepayments	400	-	-	-
Reserved for materials and supplies inventory	645	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	24,981	428,852	85,211	(2,554)
Total fund balances.	<u>43,026</u>	<u>428,852</u>	<u>85,211</u>	<u>(2,554)</u>
Total liabilities and fund balances	<u>\$ 55,461</u>	<u>\$ 464,974</u>	<u>\$ 93,587</u>	<u>\$ -</u>

Real Estate Assessment	Delinquent Real Estate Collection	Delinquent Real Estate Prosecutor	Victims Assistance	Jury Administration
\$ 287,311	\$ 23,762	\$ 32,169	\$ 2,399	\$ 1,173
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	279	-
<u>\$ 287,311</u>	<u>\$ 23,762</u>	<u>\$ 32,169</u>	<u>\$ 2,678</u>	<u>\$ 1,173</u>
\$ -	\$ 6,019	\$ 2,500	\$ -	\$ -
3,828	-	-	1,498	-
-	-	-	-	-
-	-	-	-	-
4,621	-	690	1,491	-
-	-	-	-	-
<u>8,449</u>	<u>6,019</u>	<u>3,190</u>	<u>2,989</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	279	-
-	-	-	-	-
<u>278,862</u>	<u>17,743</u>	<u>28,979</u>	<u>(590)</u>	<u>1,173</u>
<u>278,862</u>	<u>17,743</u>	<u>28,979</u>	<u>(311)</u>	<u>1,173</u>
<u>\$ 287,311</u>	<u>\$ 23,762</u>	<u>\$ 32,169</u>	<u>\$ 2,678</u>	<u>\$ 1,173</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2007

	<u>License Bureau</u>	<u>Victim Advocacy/ Office of Criminal Justice</u>	<u>911 Wireless Project</u>	<u>Indigent Guardianship</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 38,129	\$ -	\$ 107,948	\$ 3,525
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	8,136	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 38,129</u>	<u>\$ 8,136</u>	<u>\$ 107,948</u>	<u>\$ 3,525</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,000
Accrued wages and benefits	3,357	67	-	-
Compensated absences payable	-	-	-	-
Loans from other funds	-	-	-	-
Due to other funds	-	6,402	-	-
Due to other governments	3,250	873	-	-
Deferred revenue.	-	8,136	-	-
Total liabilities.	<u>6,607</u>	<u>15,478</u>	<u>-</u>	<u>1,000</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	-	-	-	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved:				
Designated for compensated absences	-	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	<u>31,522</u>	<u>(7,342)</u>	<u>107,948</u>	<u>2,525</u>
Total fund balances.	<u>31,522</u>	<u>(7,342)</u>	<u>107,948</u>	<u>2,525</u>
Total liabilities and fund balances	<u>\$ 38,129</u>	<u>\$ 8,136</u>	<u>\$ 107,948</u>	<u>\$ 3,525</u>

General Special Projects Common Pleas	Sheriff Concealed Handgun License	Education and Enforcement	911	Special Projects
\$ 61,780	\$ 5,052	\$ 8,155	\$ 483,470	\$ 32,377
2,833	-	25	-	7,263
-	-	-	-	-
-	-	-	-	-
-	-	-	143	-
-	-	-	-	-
<u>\$ 64,613</u>	<u>\$ 5,052</u>	<u>\$ 8,180</u>	<u>\$ 483,613</u>	<u>\$ 39,640</u>
\$ -	\$ 2,097	\$ -	\$ 3,522	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,498
-	-	-	-	-
<u>-</u>	<u>2,097</u>	<u>-</u>	<u>3,522</u>	<u>1,498</u>
-	-	-	-	-
-	-	-	143	-
-	-	-	-	-
-	-	-	-	-
<u>64,613</u>	<u>2,955</u>	<u>8,180</u>	<u>479,948</u>	<u>38,142</u>
<u>64,613</u>	<u>2,955</u>	<u>8,180</u>	<u>480,091</u>	<u>38,142</u>
<u>\$ 64,613</u>	<u>\$ 5,052</u>	<u>\$ 8,180</u>	<u>\$ 483,613</u>	<u>\$ 39,640</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2007

	<u>Employee Expended</u>	<u>Transportation Coordination</u>	<u>Certificate Title Administration</u>	<u>Courthouse Security Grant</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 250,000	\$ -	\$ 6,421	\$ 905
Receivables (net of allowance for uncollectibles):				
Accounts	-	152,173	4,357	-
Due from other funds	-	20,422	-	-
Due from other governments	-	-	-	-
Prepayments	-	4,276	-	-
Materials and supplies inventory	-	2,125	-	-
Total assets	<u>\$ 250,000</u>	<u>\$ 178,996</u>	<u>\$ 10,778</u>	<u>\$ 905</u>
Liabilities:				
Accounts payable	\$ -	\$ 83,996	\$ -	\$ -
Accrued wages and benefits	-	22,054	-	-
Compensated absences payable	-	-	-	-
Loans from other funds	-	55,000	-	-
Due to other funds	-	-	-	-
Due to other governments	-	23,599	-	-
Deferred revenue	-	69,423	-	-
Total liabilities	<u>-</u>	<u>254,072</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	-	4,276	-	-
Reserved for materials and supplies inventory	-	2,125	-	-
Unreserved:				
Designated for compensated absences	250,000	-	-	-
Undesignated (deficit), reported in:				
Special revenue funds	-	(81,477)	10,778	905
Total fund balances	<u>250,000</u>	<u>(75,076)</u>	<u>10,778</u>	<u>905</u>
Total liabilities and fund balances	<u>\$ 250,000</u>	<u>\$ 178,996</u>	<u>\$ 10,778</u>	<u>\$ 905</u>

Federal Equitable Sharing	Scenic Byways	Domestic Violence	Jail Kitchen	Indigent Drivers Alcohol
\$ 59,235	\$ 9,250	\$ 3,807	\$ 19,700	\$ 31,490
-	-	206	-	131
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,372	-
<u>\$ 59,235</u>	<u>\$ 9,250</u>	<u>\$ 4,013</u>	<u>\$ 24,072</u>	<u>\$ 31,621</u>
\$ -	\$ -	\$ 3,705	\$ 4,654	\$ -
-	-	-	3,411	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,334	-
-	-	-	-	-
-	-	3,705	11,399	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,372	-
-	-	-	-	-
59,235	9,250	308	8,301	31,621
59,235	9,250	308	12,673	31,621
<u>\$ 59,235</u>	<u>\$ 9,250</u>	<u>\$ 4,013</u>	<u>\$ 24,072</u>	<u>\$ 31,621</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 DECEMBER 31, 2007

	<u>Tax Map</u>	<u>Probate Court Conduct of Business</u>	<u>Disaster Services</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 46,505	\$ 41,677	\$ 57,224
Receivables (net of allowance for uncollectibles):			
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	-	14,696	-
Prepayments	-	-	144
Materials and supplies inventory	-	-	172
Total assets.	<u>\$ 46,505</u>	<u>\$ 56,373</u>	<u>\$ 57,540</u>
Liabilities:			
Accounts payable	\$ 1,360	\$ -	\$ -
Accrued wages and benefits	1,811	1,256	1,511
Compensated absences payable	-	-	-
Loans from other funds	-	-	-
Due to other funds	-	-	-
Due to other governments	1,805	9,461	1,509
Deferred revenue.	-	-	-
Total liabilities.	<u>4,976</u>	<u>10,717</u>	<u>3,020</u>
Fund Balances:			
Reserved for encumbrances	250	-	525
Reserved for prepayments	-	-	144
Reserved for materials and supplies inventory	-	-	172
Unreserved:			
Designated for compensated absences	-	-	-
Undesignated (deficit), reported in:			
Special revenue funds	<u>41,279</u>	<u>45,656</u>	<u>53,679</u>
Total fund balances.	<u>41,529</u>	<u>45,656</u>	<u>54,520</u>
Total liabilities and fund balances	<u>\$ 46,505</u>	<u>\$ 56,373</u>	<u>\$ 57,540</u>

Community Housing Improvement	Youth Services Subsidy Grant	Recycling and Litter	Children Services	Totals
\$ 120,187	\$ 140,496	\$ 114,130	\$ 793,215	\$ 3,382,889
-	-	11,509	44	178,972
-	-	-	-	20,422
-	-	-	147,323	181,304
-	-	838	-	5,801
-	-	137	-	7,730
<u>\$ 120,187</u>	<u>\$ 140,496</u>	<u>\$ 126,614</u>	<u>\$ 940,582</u>	<u>\$ 3,777,118</u>
\$ 17,697	\$ 500	\$ -	\$ 11,679	\$ 149,659
-	2,789	4,127	1,160	55,062
-	-	-	-	6,922
-	-	-	-	55,000
-	-	-	1,888	29,371
-	702	3,960	7,762	76,916
-	-	7,650	141,872	227,081
<u>17,697</u>	<u>3,991</u>	<u>15,737</u>	<u>164,361</u>	<u>600,011</u>
3,650	15,189	-	-	36,614
-	-	838	-	5,801
-	-	137	-	7,730
-	-	-	-	250,000
<u>98,840</u>	<u>121,316</u>	<u>109,902</u>	<u>776,221</u>	<u>2,876,962</u>
<u>102,490</u>	<u>136,505</u>	<u>110,877</u>	<u>776,221</u>	<u>3,177,107</u>
<u>\$ 120,187</u>	<u>\$ 140,496</u>	<u>\$ 126,614</u>	<u>\$ 940,582</u>	<u>\$ 3,777,118</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Dog and Kennel</u>	<u>Child Support Enforcement</u>	<u>Work Enforcement Act</u>	<u>Child Neglect and Abuse</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	-	55,893	-	-
Licenses and permits	145,923	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	538,481	128,708	-
Investment income	-	-	-	-
Other	4,055	100	667	-
Total revenues	<u>149,978</u>	<u>594,474</u>	<u>129,375</u>	<u>-</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health	159,590	-	-	-
Human services	-	445,251	91,734	2,554
Total expenditures	<u>159,590</u>	<u>445,251</u>	<u>91,734</u>	<u>2,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,612)</u>	<u>149,223</u>	<u>37,641</u>	<u>(2,554)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(177,998)	(27,712)	-
Total other financing sources (uses)	<u>-</u>	<u>(177,998)</u>	<u>(27,712)</u>	<u>-</u>
Net change in fund balances	(9,612)	(28,775)	9,929	(2,554)
Fund balance (deficit) at beginning of year	<u>52,638</u>	<u>457,627</u>	<u>75,282</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 43,026</u>	<u>\$ 428,852</u>	<u>\$ 85,211</u>	<u>\$ (2,554)</u>

<u>Real Estate Assessment</u>	<u>Delinquent Real Estate Collection</u>	<u>Delinquent Real Estate Prosecutor</u>	<u>ODNR Grant</u>	<u>Victims Assistance</u>
\$ -	\$ 4,629	\$ -	\$ -	\$ -
-	-	-	-	-
442,920	21,325	25,954	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	61,130
-	-	-	-	-
165	235	-	-	-
<u>443,085</u>	<u>26,189</u>	<u>25,954</u>	<u>-</u>	<u>61,130</u>
373,095	34,492	22,324	(578)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	77,658
<u>373,095</u>	<u>34,492</u>	<u>22,324</u>	<u>(578)</u>	<u>77,658</u>
<u>69,990</u>	<u>(8,303)</u>	<u>3,630</u>	<u>578</u>	<u>(16,528)</u>
-	-	-	-	21,193
-	-	-	-	-
-	-	-	-	21,193
69,990	(8,303)	3,630	578	4,665
<u>208,872</u>	<u>26,046</u>	<u>25,349</u>	<u>(578)</u>	<u>(4,976)</u>
<u>\$ 278,862</u>	<u>\$ 17,743</u>	<u>\$ 28,979</u>	<u>\$ -</u>	<u>\$ (311)</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Jury Administration</u>	<u>License Bureau</u>	<u>Victim Advocacy/ Office of Criminal Justice</u>	<u>911 Wireless Project</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	-	165,112	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	32,900	68,880
Investment income	-	-	-	-
Other	774	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	774	165,112	32,900	68,880
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	141,664	-	-
Judicial	-	-	-	-
Public safety.	-	-	-	24,627
Public works.	-	-	-	-
Health	-	-	-	-
Human services	-	-	54,566	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	141,664	54,566	24,627
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	774	23,448	(21,666)	44,253
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in.	-	-	15,000	-
Transfers out.	-	-	-	-
Total other financing sources (uses)	-	-	15,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	774	23,448	(6,666)	44,253
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit) at beginning of year	399	8,074	(676)	63,695
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit) at end of year.	<u>\$ 1,173</u>	<u>\$ 31,522</u>	<u>\$ (7,342)</u>	<u>\$ 107,948</u>

Law Enforcement Domestic Terrorism	Indigent Guardianship	General Special Projects Common Pleas	Sheriff Concealed Handgun License	Education and Enforcement
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	3,340	-	-	-
-	-	-	21,045	-
-	-	40,994	-	1,776
3,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,000</u>	<u>3,340</u>	<u>40,994</u>	<u>21,045</u>	<u>1,776</u>
-	-	-	-	-
-	-	6,067	-	-
3,000	2,451	-	20,460	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,000</u>	<u>2,451</u>	<u>6,067</u>	<u>20,460</u>	<u>-</u>
-	889	34,927	585	1,776
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	889	34,927	585	1,776
-	1,636	29,686	2,370	6,404
<u>\$ -</u>	<u>\$ 2,525</u>	<u>\$ 64,613</u>	<u>\$ 2,955</u>	<u>\$ 8,180</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>911</u>	<u>Special Projects</u>	<u>Employee Expended</u>	<u>Transportation Coordination</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	153	-	-	-
Charges for services	-	45,809	-	1,265,192
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	-	210,573
Investment income	13,708	90	-	-
Other	-	1,438	-	(2,500)
Total revenues	<u>13,861</u>	<u>47,337</u>	<u>-</u>	<u>1,473,265</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	-
Judicial	-	83,856	-	-
Public safety.	46,785	-	-	-
Public works.	-	-	-	1,649,613
Health	-	-	-	-
Human services	-	-	-	-
Total expenditures	<u>46,785</u>	<u>83,856</u>	<u>-</u>	<u>1,649,613</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(32,924)</u>	<u>(36,519)</u>	<u>-</u>	<u>(176,348)</u>
Other financing sources (uses):				
Transfers in.	-	-	-	52,141
Transfers out.	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,141</u>
Net change in fund balances	(32,924)	(36,519)	-	(124,207)
Fund balance (deficit) at beginning of year	<u>513,015</u>	<u>74,661</u>	<u>250,000</u>	<u>49,131</u>
Fund balance (deficit) at end of year.	<u>\$ 480,091</u>	<u>\$ 38,142</u>	<u>\$ 250,000</u>	<u>\$ (75,076)</u>

<u>Certificate Title Administration</u>	<u>Sheriff's Overtime Block Grant</u>	<u>Courthouse Security Grant</u>	<u>Federal Equitable Sharing</u>	<u>Scenic Byways</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
84,027	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	15,713	-	1,612	-
-	-	-	-	-
-	-	-	-	-
<u>84,027</u>	<u>15,713</u>	<u>-</u>	<u>1,612</u>	<u>-</u>
86,000	-	-	-	-
-	-	-	-	-
-	73,969	-	3,995	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>86,000</u>	<u>73,969</u>	<u>-</u>	<u>3,995</u>	<u>-</u>
<u>(1,973)</u>	<u>(58,256)</u>	<u>-</u>	<u>(2,383)</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(1,973)</u>	<u>(58,256)</u>	<u>-</u>	<u>(2,383)</u>	<u>-</u>
<u>12,751</u>	<u>58,256</u>	<u>905</u>	<u>61,618</u>	<u>9,250</u>
<u>\$ 10,778</u>	<u>\$ -</u>	<u>\$ 905</u>	<u>\$ 59,235</u>	<u>\$ 9,250</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Community Development</u>	<u>Community Development/ 1999 Grant</u>	<u>Domestic Violence</u>	<u>Jail Kitchen</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	-	-	-	815
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	7,797	-
Intergovernmental	179,000	3,960	-	-
Investment income	-	-	-	-
Other	-	-	-	(1,075)
Total revenues	<u>179,000</u>	<u>3,960</u>	<u>7,797</u>	<u>(260)</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	179,000	8,960	-	-
Judicial	-	-	-	-
Public safety.	-	-	-	-
Public works.	-	-	-	-
Health	-	-	-	-
Human services	-	-	7,787	232,024
Total expenditures	<u>179,000</u>	<u>8,960</u>	<u>7,787</u>	<u>232,024</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>-</u>	<u>(5,000)</u>	<u>10</u>	<u>(232,284)</u>
Other financing sources (uses):				
Transfers in.	-	-	-	200,000
Transfers out.	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	-	(5,000)	10	(32,284)
Fund balance (deficit) at beginning of year	<u>-</u>	<u>5,000</u>	<u>298</u>	<u>44,957</u>
Fund balance (deficit) at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308</u>	<u>\$ 12,673</u>

Indigent Drivers Alcohol	Tax Map	Probate Court Conduct of Business	Disaster Services	Community Housing Improvement
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	130,000	-	-	-
-	-	-	-	-
7,780	-	20,267	-	-
-	-	73,481	35,625	302,022
-	-	-	-	-
37	3,263	-	3,457	33,434
<u>7,817</u>	<u>133,263</u>	<u>93,748</u>	<u>39,082</u>	<u>335,456</u>
-	114,066	-	-	271,697
-	-	78,628	-	-
-	-	-	90,520	-
-	-	-	-	-
-	-	-	-	-
60,154	-	-	-	-
<u>60,154</u>	<u>114,066</u>	<u>78,628</u>	<u>90,520</u>	<u>271,697</u>
<u>(52,337)</u>	<u>19,197</u>	<u>15,120</u>	<u>(51,438)</u>	<u>63,759</u>
-	-	-	35,000	-
-	-	-	-	-
-	-	-	35,000	-
<u>(52,337)</u>	<u>19,197</u>	<u>15,120</u>	<u>(16,438)</u>	<u>63,759</u>
<u>83,958</u>	<u>22,332</u>	<u>30,536</u>	<u>70,958</u>	<u>38,731</u>
<u>\$ 31,621</u>	<u>\$ 41,529</u>	<u>\$ 45,656</u>	<u>\$ 54,520</u>	<u>\$ 102,490</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Youth Services Subsidy Grant</u>	<u>Recycling and Litter</u>	<u>Children Services</u>	<u>Totals</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 4,629
Sales taxes	-	-	-	153
Charges for services	-	298,750	-	2,539,137
Licenses and permits	-	-	-	166,968
Fines and forfeitures	-	-	-	78,614
Intergovernmental	157,780	-	708,633	2,521,498
Investment income	-	-	-	13,798
Other	1,852	-	43,601	89,503
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	159,632	298,750	752,234	5,414,300
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	1,230,720
Judicial	-	-	-	168,551
Public safety	189,284	-	-	455,091
Public works	-	255,592	-	1,905,205
Health	-	-	-	159,590
Human services	-	-	373,864	1,345,592
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	189,284	255,592	373,864	5,264,749
Excess (deficiency) of revenues over (under) expenditures	<hr/> (29,652)	<hr/> 43,158	<hr/> 378,370	<hr/> 149,551
Other financing sources (uses):				
Transfers in	-	-	340,000	663,334
Transfers out	-	-	(559,497)	(765,207)
Total other financing sources (uses)	<hr/> -	<hr/> -	<hr/> (219,497)	<hr/> (101,873)
Net change in fund balances	(29,652)	43,158	158,873	47,678
Fund balance (deficit) at beginning of year	<hr/> 166,157	<hr/> 67,719	<hr/> 617,348	<hr/> 3,129,429
Fund balance (deficit) at end of year	<hr/> <u>\$ 136,505</u>	<hr/> <u>\$ 110,877</u>	<hr/> <u>\$ 776,221</u>	<hr/> <u>\$ 3,177,107</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY BOARD OF MR/DD FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,867,570	\$ 2,867,570	\$ 2,926,766	\$ 59,196
Charges for services	256,273	256,273	262,657	6,384
Intergovernmental	1,771,541	1,804,041	2,170,730	366,689
Investment income	2,300	2,300	2,813	513
Other	281,856	293,140	230,772	(62,368)
Total revenues	5,179,540	5,223,324	5,593,738	370,414
Expenditures:				
Current:				
Human services				
Personal services.	4,035,057	4,034,398	3,804,139	230,259
Materials and supplies	317,473	330,473	296,534	33,939
Contractual services	1,451,467	1,472,602	1,421,502	51,100
Capital outlay	81,945	79,870	45,842	34,028
Other.	27,150	35,685	27,053	8,632
Total expenditures	5,913,092	5,953,028	5,595,070	357,958
Excess (deficiency) of revenues over (under) expenditures	(733,552)	(729,704)	(1,332)	728,372
Other financing sources (uses):				
Transfers in	660,789	660,789	629,622	(31,167)
Transfers out	(900,439)	(900,440)	(837,484)	62,956
Total other financing sources (uses)	(239,650)	(239,651)	(207,862)	31,789
Net change in fund balance.	(973,202)	(969,355)	(209,194)	760,161
Fund balance at beginning of year	2,217,757	2,217,757	2,217,757	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1,244,555	\$ 1,248,402	\$ 2,008,563	\$ 760,161

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MOTOR VEHICLE LICENSE AND GAS TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 43,029	\$ 43,029	\$ 56,320	\$ 13,291
Intergovernmental	3,991,250	4,291,250	4,317,242	25,992
Investment income	-	-	9,510	9,510
Donation	75,000	75,000	78,650	3,650
Other	28,750	136,750	144,784	8,034
Total revenues	4,138,029	4,546,029	4,606,506	60,477
Expenditures:				
Current:				
Public works				
Personal services	2,031,029	2,031,029	1,980,300	50,729
Materials and supplies	1,555,000	2,437,592	2,382,812	54,780
Contractual services	162,000	212,000	186,050	25,950
Capital outlay	365,000	470,000	633,721	(163,721)
Other	25,000	25,000	12,182	12,818
Total expenditures	4,138,029	5,175,621	5,195,065	(19,444)
Excess (deficiency) of revenues over (under) expenditures	-	(629,592)	(588,559)	41,033
Other financing sources:				
Sale of capital assets	-	42,000	42,000	-
Total other financing sources	-	42,000	42,000	-
Net change in fund balance	-	(587,592)	(546,559)	41,033
Fund balance at beginning of year	1,337,592	1,337,592	1,337,592	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1,337,592	\$ 750,000	\$ 791,033	\$ 41,033

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY HOME FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 918,285	\$ 903,750	\$ 895,847	\$ (7,903)
Charges for services	450,110	428,484	517,595	89,111
Intergovernmental	92,288	92,288	144,457	52,169
Rentals	32,224	31,285	32,121	836
Other	6,386	6,200	38,839	32,639
	<u>1,499,293</u>	<u>1,462,007</u>	<u>1,628,859</u>	<u>166,852</u>
Expenditures:				
Current:				
Human services				
Personal services	1,175,473	1,210,550	1,170,155	40,395
Materials and supplies	185,658	167,000	157,421	9,579
Contractual services	129,642	176,200	154,343	21,857
Capital outlay	71,218	58,219	45,699	12,520
Other	7,957	7,500	5,421	2,079
	<u>1,569,948</u>	<u>1,619,469</u>	<u>1,533,039</u>	<u>86,430</u>
Total expenditures				
	<u>1,569,948</u>	<u>1,619,469</u>	<u>1,533,039</u>	<u>86,430</u>
Net change in fund balance	(70,655)	(157,462)	95,820	253,282
Fund balance at beginning of year	237,949	237,949	237,949	-
Prior year encumbrances appropriated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 167,294</u>	<u>\$ 80,487</u>	<u>\$ 333,769</u>	<u>\$ 253,282</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PUBLIC ASSISTANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 2,808,711	\$ 2,808,711	\$ 3,013,274	\$ 204,563
Other	179,030	179,030	203,566	24,536
Total revenues	<u>2,987,741</u>	<u>2,987,741</u>	<u>3,216,840</u>	<u>229,099</u>
Expenditures:				
Current:				
Human services				
Personal services.	2,082,949	2,082,949	1,986,276	96,673
Materials and supplies	61,000	61,000	48,065	12,935
Contractual services	710,000	740,000	473,284	266,716
Capital outlay	70,000	40,000	12,504	27,496
Other.	<u>1,780,000</u>	<u>1,780,000</u>	<u>1,672,912</u>	<u>107,088</u>
Total expenditures	<u>4,703,949</u>	<u>4,703,949</u>	<u>4,193,041</u>	<u>510,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,716,208)</u>	<u>(1,716,208)</u>	<u>(976,201)</u>	<u>740,007</u>
Other financing sources (uses):				
Refund of prior year expenditures.	100,000	100,000	100,000	-
Transfers in	963,662	963,662	878,869	(84,793)
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Total other financing sources (uses).	<u>1,060,662</u>	<u>1,060,662</u>	<u>978,869</u>	<u>(81,793)</u>
Net change in fund balance.	(655,546)	(655,546)	2,668	658,214
Fund balance at beginning of year	578,960	578,960	578,960	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (76,586)</u>	<u>\$ (76,586)</u>	<u>\$ 581,628</u>	<u>\$ 658,214</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DOG AND KENNEL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 130,500	\$ 130,500	\$ 146,004	\$ 15,504
Other	3,000	3,000	3,624	624
Total revenues	<u>133,500</u>	<u>133,500</u>	<u>149,628</u>	<u>16,128</u>
Expenditures:				
Current:				
Health				
Personal services	125,574	129,355	127,607	1,748
Materials and supplies	3,700	3,254	2,761	493
Capital outlay	2,500	22,500	19,416	3,084
Other	15,000	17,665	17,010	655
Total expenditures	<u>146,774</u>	<u>172,774</u>	<u>166,794</u>	<u>5,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,274)</u>	<u>(39,274)</u>	<u>(17,166)</u>	<u>22,108</u>
Other financing uses:				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
Total other financing uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
Net change in fund balance	<u>(25,274)</u>	<u>(51,274)</u>	<u>(17,166)</u>	<u>34,108</u>
Fund balance at beginning of year	<u>54,151</u>	<u>54,151</u>	<u>54,151</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 28,877</u>	<u>\$ 2,877</u>	<u>\$ 36,985</u>	<u>\$ 34,108</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILD SUPPORT ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 51,388	\$ 51,388	\$ 55,893	\$ 4,505
Intergovernmental	607,596	607,596	553,030	(54,566)
Other	2,000	2,000	453	(1,547)
Total revenues	<u>660,984</u>	<u>660,984</u>	<u>609,376</u>	<u>(51,608)</u>
Expenditures:				
Current:				
Human services				
Personal services.	315,179	315,179	275,948	39,231
Materials and supplies	3,000	3,000	145	2,855
Contractual services	201,000	201,000	137,513	63,487
Other.	41,000	41,000	23,615	17,385
Total expenditures	<u>560,179</u>	<u>560,179</u>	<u>437,221</u>	<u>122,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,805</u>	<u>100,805</u>	<u>172,155</u>	<u>71,350</u>
Other financing uses:				
Transfers out	<u>(571,622)</u>	<u>(571,622)</u>	<u>(177,998)</u>	<u>393,624</u>
Total other financing uses	<u>(571,622)</u>	<u>(571,622)</u>	<u>(177,998)</u>	<u>393,624</u>
Net change in fund balance.	(470,817)	(470,817)	(5,843)	464,974
Fund balance at beginning of year	470,817	470,817	470,817	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,974</u>	<u>\$ 464,974</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WORK ENFORCEMENT ACT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 142,719	\$ 142,719	\$ 117,559	\$ (25,160)
Other	22,000	22,000	667	(21,333)
Total revenues	164,719	164,719	118,226	(46,493)
Expenditures:				
Human services				
Personal services.	189,000	189,000	83,358	105,642
Other.	10,000	10,000	-	10,000
Total expenditures	199,000	199,000	83,358	115,642
Excess (deficiency) of revenues over (under) expenditures	(34,281)	(34,281)	34,868	69,149
Other financing sources (uses):				
Transfers in	23,000	23,000	-	(23,000)
Transfers out.	(64,000)	(64,000)	(27,712)	36,288
Total other financing sources (uses).	(41,000)	(41,000)	(27,712)	13,288
Net change in fund balance.	(75,281)	(75,281)	7,156	82,437
Fund balance at beginning of year	75,282	75,282	75,282	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 1	\$ 1	\$ 82,438	\$ 82,437

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILD NEGLECT AND ABUSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 18,000	\$ 18,000	\$ -	\$ (18,000)
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>(18,000)</u>
Expenditures:				
Current:				
Human services				
Other	<u>22,643</u>	<u>22,643</u>	<u>-</u>	<u>22,643</u>
Total expenditures	<u>22,643</u>	<u>22,643</u>	<u>-</u>	<u>22,643</u>
Net change in fund balance.	(4,643)	(4,643)	-	4,643
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (4,643)</u>	<u>\$ (4,643)</u>	<u>\$ -</u>	<u>\$ 4,643</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REAL ESTATE ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 330,000	\$ 442,920	\$ 112,920
Other	200	200	165	(35)
Total revenues	5,200	330,200	443,085	112,885
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	226,000	239,274	230,507	8,767
Materials and supplies	15,400	15,400	13,111	2,289
Contractual services	176,000	176,000	109,064	66,936
Other	25,000	24,726	18,278	6,448
Total expenditures	442,400	455,400	370,960	84,440
Excess (deficiency) of revenues over (under) expenditures	(437,200)	(125,200)	72,125	197,325
Other financing sources:				
Transfers in	325,000	-	-	-
Total other financing sources	325,000	-	-	-
Net change in fund balance	(112,200)	(125,200)	72,125	197,325
Fund balance at beginning of year	213,786	213,786	213,786	-
Prior year encumbrances appropriated	1,400	1,400	1,400	-
Fund balance at end of year	<u>\$ 102,986</u>	<u>\$ 89,986</u>	<u>\$ 287,311</u>	<u>\$ 197,325</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DELINQUENT REAL ESTATE COLLECTION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ -	\$ -	\$ 4,629	\$ 4,629
Charges for services	24,000	24,000	21,325	(2,675)
Other	-	-	235	235
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>26,189</u>	<u>2,189</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	-	24,300	21,865	2,435
Other	42,000	17,700	6,608	11,092
Total expenditures.	<u>42,000</u>	<u>42,000</u>	<u>28,473</u>	<u>13,527</u>
Net change in fund balance.	(18,000)	(18,000)	(2,284)	15,716
Fund balance at beginning of year.	26,046	26,046	26,046	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 8,046</u>	<u>\$ 8,046</u>	<u>\$ 23,762</u>	<u>\$ 15,716</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DELINQUENT REAL ESTATE PROSECUTOR FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ -	\$ 25,954	\$ 25,954
Total revenues	<u>-</u>	<u>-</u>	<u>25,954</u>	<u>25,954</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	-	15,943	15,921	22
Materials and supplies.	71	1,871	1,566	305
Other.	-	2,364	2,364	-
Total expenditures	<u>71</u>	<u>20,178</u>	<u>19,851</u>	<u>327</u>
Net change in fund balance.	(71)	(20,178)	6,103	26,281
Fund balance at beginning of year	25,995	25,995	25,995	-
Prior year encumbrances appropriated	<u>71</u>	<u>71</u>	<u>71</u>	<u>-</u>
Fund balance at end of year	<u>\$ 25,995</u>	<u>\$ 5,888</u>	<u>\$ 32,169</u>	<u>\$ 26,281</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VICTIMS ASSISTANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 45,264	\$ 106,294	\$ 61,130	\$ (45,164)
Total revenues	<u>45,264</u>	<u>106,294</u>	<u>61,130</u>	<u>(45,164)</u>
Expenditures:				
Current:				
Human services				
Personal services	54,224	129,962	74,209	55,753
Materials and supplies	1,396	2,071	1,466	605
Contractual services	1,196	2,541	1,017	1,524
Capital outlay	19	-	-	-
Other	2,690	2,935	541	2,394
Total expenditures	<u>59,525</u>	<u>137,509</u>	<u>77,233</u>	<u>60,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,261)</u>	<u>(31,215)</u>	<u>(16,103)</u>	<u>15,112</u>
Other financing sources:				
Transfers in	<u>16,954</u>	<u>33,908</u>	<u>21,193</u>	<u>(12,715)</u>
Total other financing sources	<u>16,954</u>	<u>33,908</u>	<u>21,193</u>	<u>(12,715)</u>
Net change in fund balance.	2,693	2,693	5,090	2,397
Fund balance (deficit) at beginning of year	(2,691)	(2,691)	(2,691)	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2,399</u>	<u>\$ 2,397</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JURY ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 774	\$ 774
Total revenues	<u>-</u>	<u>-</u>	<u>774</u>	<u>774</u>
Net change in fund balance.	-	-	774	774
Fund balance at beginning of year	399	399	399	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 399</u>	<u>\$ 399</u>	<u>\$ 1,173</u>	<u>\$ 774</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LICENSE BUREAU FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 160,000	\$ 160,000	\$ 165,112	\$ 5,112
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>165,112</u>	<u>5,112</u>
Expenditures:				
Current:				
Legislative and executive:				
Personal services	165,250	165,250	137,747	27,503
Materials and supplies	2,000	2,000	944	1,056
Other	<u>1,000</u>	<u>1,000</u>	<u>144</u>	<u>856</u>
Total expenditures	<u>168,250</u>	<u>168,250</u>	<u>138,835</u>	<u>29,415</u>
Net change in fund balance	(8,250)	(8,250)	26,277	34,527
Fund balance at beginning of year	11,852	11,852	11,852	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,602</u>	<u>\$ 3,602</u>	<u>\$ 38,129</u>	<u>\$ 34,527</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VICTIMS ADVOCACY/OFFICE OF CRIMINAL JUSTICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 51,000	\$ 45,000	\$ 32,900	\$ (12,100)
Total revenues	<u>51,000</u>	<u>45,000</u>	<u>32,900</u>	<u>(12,100)</u>
Expenditures:				
Current:				
Human services				
Personal services	59,891	59,891	54,569	5,322
Materials and supplies	59	59	59	-
Other	700	700	324	376
Total expenditures	<u>60,650</u>	<u>60,650</u>	<u>54,952</u>	<u>5,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,650)</u>	<u>(15,650)</u>	<u>(22,052)</u>	<u>(6,402)</u>
Other financing sources:				
Transfers in	<u>17,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other financing sources	<u>17,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance.	7,350	(650)	(7,052)	(6,402)
Fund balance at beginning of year	650	650	650	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ (6,402)</u>	<u>\$ (6,402)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 911 WIRELESS PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 68,880	\$ 68,880
Total revenues	-	-	68,880	68,880
Expenditures:				
Current:				
Public safety				
Capital outlay	50,000	50,000	24,627	25,373
Total expenditures	50,000	50,000	24,627	25,373
Net change in fund balance.	(50,000)	(50,000)	44,253	94,253
Fund balance at beginning of year	63,695	63,695	63,695	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 13,695</u>	<u>\$ 13,695</u>	<u>\$ 107,948</u>	<u>\$ 94,253</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LAW ENFORCEMENT DOMESTIC TERRORISM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 22,222	\$ 3,000	\$ (19,222)
Total revenues	<u>-</u>	<u>22,222</u>	<u>3,000</u>	<u>(19,222)</u>
Expenditures:				
Current:				
Public safety				
Capital outlay	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance.	-	19,222	-	(19,222)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,222</u>	<u>\$ -</u>	<u>\$ (19,222)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT GUARDIANSHIP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 3,000	\$ 3,000	\$ 3,340	\$ 340
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,340</u>	<u>340</u>
Expenditures:				
Current:				
Public safety				
Materials and supplies	<u>4,000</u>	<u>4,000</u>	<u>1,451</u>	<u>2,549</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,451</u>	<u>2,549</u>
Net change in fund balance.	(1,000)	(1,000)	1,889	2,889
Fund balance at beginning of year	1,636	1,636	1,636	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 636</u>	<u>\$ 636</u>	<u>\$ 3,525</u>	<u>\$ 2,889</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL SPECIAL PROJECTS - COMMON PLEAS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 13,500	\$ 13,500	\$ 38,161	\$ 24,661
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>38,161</u>	<u>24,661</u>
Expenditures:				
Current:				
General government - judicial				
Contractual services	-	7,000	-	7,000
Capital outlay	-	20,000	6,067	13,933
Total expenditures	<u>-</u>	<u>27,000</u>	<u>6,067</u>	<u>20,933</u>
Net change in fund balance.	13,500	(13,500)	32,094	45,594
Fund balance at beginning of year	29,686	29,686	29,686	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ 43,186</u>	<u>\$ 16,186</u>	<u>\$ 61,780</u>	<u>\$ 45,594</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SHERIFF CONCEALED HANDGUN LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits.	\$ 9,800	\$ 19,286	\$ 21,045	\$ 1,759
Total revenues	<u>9,800</u>	<u>19,286</u>	<u>21,045</u>	<u>1,759</u>
Expenditures:				
Current:				
Public Safety				
Personal services.	8,000	21,801	19,007	2,794
Materials and supplies	500	500	-	500
Total expenditures	<u>8,500</u>	<u>22,301</u>	<u>19,007</u>	<u>3,294</u>
Net change in fund balance.	1,300	(3,015)	2,038	5,053
Fund balance at beginning of year	3,014	3,014	3,014	-
Prior year encumbrances appropriated.	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ 4,314</u>	<u>\$ (1)</u>	<u>\$ 5,052</u>	<u>\$ 5,053</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EDUCATION AND ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 900	\$ 900	\$ 1,861	\$ 961
Total revenues.	<u>900</u>	<u>900</u>	<u>1,861</u>	<u>961</u>
Expenditures:				
Current:				
Public safety				
Personal services.	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance.	(4,100)	(4,100)	1,861	5,961
Fund balance at beginning of year	6,294	6,294	6,294	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,194</u>	<u>\$ 2,194</u>	<u>\$ 8,155</u>	<u>\$ 5,961</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 911 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 20	\$ 20	\$ 153	\$ 133
Investment income	18,000	18,000	13,708	(4,292)
Total revenues	<u>18,020</u>	<u>18,020</u>	<u>13,861</u>	<u>(4,159)</u>
Expenditures:				
Current:				
Public safety				
Personal services	1,500	1,500	379	1,121
Materials and supplies	500	500	-	500
Contractual services	94,000	94,000	35,330	58,670
Capital outlay	100,000	100,000	9,779	90,221
Other	4,000	4,200	4,123	77
Total expenditures	<u>200,000</u>	<u>200,200</u>	<u>49,611</u>	<u>150,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(181,980)</u>	<u>(182,180)</u>	<u>(35,750)</u>	<u>146,430</u>
Other financing sources:				
Transfer in	50,000	50,000	-	(50,000)
Total other financing sources.	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance.	(131,980)	(132,180)	(35,750)	96,430
Fund balance at beginning of year	519,220	519,220	519,220	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 387,240</u>	<u>\$ 387,040</u>	<u>\$ 483,470</u>	<u>\$ 96,430</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 15,000	\$ 15,000	\$ 40,122	\$ 25,122
Investment income	-	-	185	185
Other	400	400	1,438	1,038
	<u>15,400</u>	<u>15,400</u>	<u>41,745</u>	<u>26,345</u>
Total revenues				
Expenditures:				
Current:				
General government - judicial				
Personal services	66,729	86,566	82,195	4,371
Materials and supplies	17,000	-	-	-
Other	-	163	163	-
	<u>83,729</u>	<u>86,729</u>	<u>82,358</u>	<u>4,371</u>
Total expenditures				
Net change in fund balance.	(68,329)	(71,329)	(40,613)	30,716
Fund balance at beginning of year	72,917	72,917	72,917	-
Prior year encumbrances appropriated	-	-	-	-
	<u>4,588</u>	<u>1,588</u>	<u>32,304</u>	<u>30,716</u>
Fund balance at end of year				

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE EXPENDED FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TRANSPORTATION COORDINATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,123,900	\$ 1,246,437	\$ 1,246,437	\$ -
Intergovernmental	144,000	210,573	210,573	-
Total revenues	<u>1,267,900</u>	<u>1,457,010</u>	<u>1,457,010</u>	<u>-</u>
Expenditures:				
Current:				
Public works				
Personal services.	701,530	1,046,145	1,046,145	-
Materials and supplies	245,000	252,316	252,316	-
Contractual services	254,500	181,905	181,277	628
Capital outlay	90,000	117,911	117,911	-
Other.	20,000	18,444	18,444	-
Total expenditures	<u>1,311,030</u>	<u>1,616,721</u>	<u>1,616,093</u>	<u>628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,130)</u>	<u>(159,711)</u>	<u>(159,083)</u>	<u>628</u>
Other financing sources:				
Transfers in	60,000	52,141	52,141	-
Total other financing sources	<u>60,000</u>	<u>52,141</u>	<u>52,141</u>	<u>-</u>
Net change in fund balance.	16,870	(107,570)	(106,942)	628
Fund balance at beginning of year	106,942	106,942	106,942	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance (deficit) at end of year.	<u>\$ 123,812</u>	<u>\$ (628)</u>	<u>\$ -</u>	<u>\$ 628</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CERTIFICATE TITLE ADMINISTRATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 80,000	\$ 80,000	\$ 85,632	\$ 5,632
Total revenues.	<u>80,000</u>	<u>80,000</u>	<u>85,632</u>	<u>5,632</u>
Expenditures:				
Current:				
General government - legislative and executive				
Other.	<u>80,000</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>
Total expenditures	<u>80,000</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>
Net change in fund balance.	-	(6,000)	(368)	5,632
Fund balance at beginning of year	6,789	6,789	6,789	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,789</u>	<u>\$ 789</u>	<u>\$ 6,421</u>	<u>\$ 5,632</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SHERIFF'S OVERTIME BLOCK GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 23,000	\$ 23,000	\$ 15,713	\$ (7,287)
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>15,713</u>	<u>(7,287)</u>
Expenditures:				
Current:				
Public Safety				
Personal services	\$ 23,000	\$ 73,969	\$ 68,969	\$ 5,000
Capital outlay	-	5,000	5,000	-
Total expenditures	<u>23,000</u>	<u>78,969</u>	<u>73,969</u>	<u>5,000</u>
Net change in fund balance	-	(55,969)	(58,256)	(2,287)
Fund balance at beginning of year	58,256	58,256	58,256	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 58,256</u>	<u>\$ 2,287</u>	<u>\$ -</u>	<u>\$ (2,287)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COURTHOUSE SECURITY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FEDERAL EQUITABLE SHARING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 1,612	\$ (3,388)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>1,612</u>	<u>(3,388)</u>
Expenditures:				
Current:				
Public safety				
Capital outlay.	<u>13,000</u>	<u>13,000</u>	<u>3,995</u>	<u>9,005</u>
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>3,995</u>	<u>9,005</u>
Net change in fund balance.	(8,000)	(8,000)	(2,383)	5,617
Fund balance at beginning of year	61,618	61,618	61,618	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 53,618</u>	<u>\$ 53,618</u>	<u>\$ 59,235</u>	<u>\$ 5,617</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCENIC BYWAYS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 179,000	\$ 179,000	\$ 179,000	\$ -
Total revenues	<u>179,000</u>	<u>179,000</u>	<u>179,000</u>	<u>-</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	26,800	26,800	26,800	-
Contractual services	152,200	152,200	152,200	-
Total expenditures	<u>179,000</u>	<u>179,000</u>	<u>179,000</u>	<u>-</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY DEVELOPMENT/1999 GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 3,960	\$ 3,960	\$ -
Total revenues	<u>-</u>	<u>3,960</u>	<u>3,960</u>	<u>-</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	-	5,000	5,000	-
Contractual services	-	3,960	3,960	-
Total expenditures	<u>-</u>	<u>8,960</u>	<u>8,960</u>	<u>-</u>
Net change in fund balance.	-	(5,000)	(5,000)	-
Fund balance at beginning of year	5,000	5,000	5,000	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DOMESTIC VIOLENCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 6,600	\$ 6,600	\$ 7,591	\$ 991
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>7,591</u>	<u>991</u>
Expenditures:				
Current:				
Human services				
Contractual services	<u>6,500</u>	<u>8,092</u>	<u>8,092</u>	<u>-</u>
Total expenditures	<u>6,500</u>	<u>8,092</u>	<u>8,092</u>	<u>-</u>
Net change in fund balance.	100	(1,492)	(501)	991
Fund balance at beginning of year	4,308	4,308	4,308	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,408</u>	<u>\$ 2,816</u>	<u>\$ 3,807</u>	<u>\$ 991</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 JAIL KITCHEN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 815	\$ 315
Total revenues.	<u>500</u>	<u>500</u>	<u>815</u>	<u>315</u>
Expenditures:				
Current:				
Human services				
Personal services.	157,342	163,342	152,096	11,246
Materials and supplies	89,000	83,000	71,988	11,012
Contractual services	5,922	5,922	3,267	2,655
Other.	450	450	337	113
Total expenditures	<u>252,714</u>	<u>252,714</u>	<u>227,688</u>	<u>25,026</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(252,214)</u>	<u>(252,214)</u>	<u>(226,873)</u>	<u>25,341</u>
Other financing sources:				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>200,000</u>	<u>(50,000)</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>200,000</u>	<u>(50,000)</u>
Net change in fund balance.	(2,214)	(2,214)	(26,873)	(24,659)
Fund balance at beginning of year	46,573	46,573	46,573	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 44,359</u>	<u>\$ 44,359</u>	<u>\$ 19,700</u>	<u>\$ (24,659)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDIGENT DRIVERS ALCOHOL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 6,000	\$ 6,000	\$ 8,034	\$ 2,034
Other.	-	-	37	37
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>8,071</u>	<u>2,071</u>
Expenditures:				
Current:				
Human services				
Personal services.	7,000	66,846	60,000	6,846
Materials and supplies.	-	154	154	-
Total expenditures	<u>7,000</u>	<u>67,000</u>	<u>60,154</u>	<u>6,846</u>
Net change in fund balance.	(1,000)	(61,000)	(52,083)	8,917
Fund balance at beginning of year.	83,573	83,573	83,573	-
Prior year encumbrances appropriated.	-	-	-	-
Fund balance at end of year	<u>\$ 82,573</u>	<u>\$ 22,573</u>	<u>\$ 31,490</u>	<u>\$ 8,917</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TAX MAP FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 132,000	\$ 132,000	\$ 130,000	\$ (2,000)
Other.	1,000	1,000	3,263	2,263
Total revenues	<u>133,000</u>	<u>133,000</u>	<u>133,263</u>	<u>263</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services.	94,640	97,161	89,398	7,763
Materials and supplies	2,000	2,000	222	1,778
Contractual services	2,000	5,000	2,924	2,076
Capital outlay	12,000	9,000	1,549	7,451
Other.	<u>26,000</u>	<u>23,479</u>	<u>18,285</u>	<u>5,194</u>
Total expenditures	<u>136,640</u>	<u>136,640</u>	<u>112,378</u>	<u>24,262</u>
Net change in fund balance.	(3,640)	(3,640)	20,885	24,525
Fund balance at beginning of year.	25,370	25,370	25,370	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,730</u>	<u>\$ 21,730</u>	<u>\$ 46,255</u>	<u>\$ 24,525</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROBATE COURT CONDUCT OF BUSINESS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Fines and forfeitures	\$ 20,850	\$ 20,850	\$ 20,267	\$ (583)
Intergovernmental	58,785	58,785	58,785	-
Total revenues	<u>79,635</u>	<u>79,635</u>	<u>79,052</u>	<u>(583)</u>
Expenditures:				
Current:				
General government - judicial				
Personal services.	58,785	52,788	51,155	1,633
Capital outlay	20,000	20,000	6,758	13,242
Other	3,000	10,647	10,596	51
Total expenditures	<u>81,785</u>	<u>83,435</u>	<u>68,509</u>	<u>14,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,150)</u>	<u>(3,800)</u>	<u>10,543</u>	<u>14,343</u>
Other financing uses:				
Transfers out	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance.	<u>(3,650)</u>	<u>(3,800)</u>	<u>10,543</u>	<u>14,343</u>
Fund balance at beginning of year	<u>31,134</u>	<u>31,134</u>	<u>31,134</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 27,484</u>	<u>\$ 27,334</u>	<u>\$ 41,677</u>	<u>\$ 14,343</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DISASTER SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 75,086	\$ 75,086	\$ 35,625	\$ (39,461)
Other	-	-	3,457	3,457
Total revenues	<u>75,086</u>	<u>75,086</u>	<u>39,082</u>	<u>(36,004)</u>
Expenditures:				
Current:				
Public safety				
Personal services	71,250	77,837	75,105	2,732
Materials and supplies	1,000	1,000	272	728
Contractual services	3,836	216	-	216
Capital outlay	3,500	3,500	2,884	616
Other	16,000	38,293	13,028	25,265
Total expenditures	<u>95,586</u>	<u>120,846</u>	<u>91,289</u>	<u>29,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,500)</u>	<u>(45,760)</u>	<u>(52,207)</u>	<u>(6,447)</u>
Other financing sources:				
Transfer in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance	14,500	(10,760)	(17,207)	(6,447)
Fund balance at beginning of year	73,906	73,906	73,906	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 88,406</u>	<u>\$ 63,146</u>	<u>\$ 56,699</u>	<u>\$ (6,447)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY HOUSING IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 137,800	\$ 267,440	\$ 302,022	\$ 34,582
Other	770	770	33,434	32,664
Total revenues	<u>138,570</u>	<u>268,210</u>	<u>335,456</u>	<u>67,246</u>
Expenditures:				
Current:				
General government - legislative and executive				
Personal services	51,339	64,949	60,481	4,468
Contractual services.	80,763	222,553	197,169	25,384
Total expenditures.	<u>132,102</u>	<u>287,502</u>	<u>257,650</u>	<u>29,852</u>
Net change in fund balance.	6,468	(19,292)	77,806	97,098
Fund balance at beginning of year	38,731	38,731	38,731	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 45,199</u>	<u>\$ 19,439</u>	<u>\$ 116,537</u>	<u>\$ 97,098</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 YOUTH SERVICES SUBSIDY GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 171,425	\$ 420,517	\$ 157,780	\$ (262,737)
Other	800	800	1,852	1,052
Total revenues	<u>172,225</u>	<u>421,317</u>	<u>159,632</u>	<u>(261,685)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	124,000	293,682	131,665	162,017
Materials and supplies	500	500	371	129
Contractual services	114,247	188,147	71,848	116,299
Other.	8,818	16,328	5,290	11,038
Total expenditures	<u>247,565</u>	<u>498,657</u>	<u>209,174</u>	<u>289,483</u>
Net change in fund balance.	(75,340)	(77,340)	(49,542)	27,798
Fund balance at beginning of year	154,855	154,855	154,855	-
Prior year encumbrances appropriated	19,994	19,994	19,994	-
Fund balance at end of year	<u>\$ 99,509</u>	<u>\$ 97,509</u>	<u>\$ 125,307</u>	<u>\$ 27,798</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECYCLING AND LITTER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 224,000	\$ 224,000	\$ 307,807	\$ 83,807
Total revenues	<u>224,000</u>	<u>224,000</u>	<u>307,807</u>	<u>83,807</u>
Expenditures:				
Current:				
Public works				
Personal services.	181,450	217,996	215,962	2,034
Contractual services	<u>38,500</u>	<u>40,051</u>	<u>39,781</u>	<u>270</u>
Total expenditures	<u>219,950</u>	<u>258,047</u>	<u>255,743</u>	<u>2,304</u>
Net change in fund balance.	4,050	(34,047)	52,064	86,111
Fund balance at beginning of year	62,066	62,066	62,066	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 66,116</u>	<u>\$ 28,019</u>	<u>\$ 114,130</u>	<u>\$ 86,111</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CHILDREN SERVICES FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 905,121	\$ 905,121	\$ 786,270	\$ (118,851)
Other	95,000	95,000	43,557	(51,443)
Total revenues	<u>1,000,121</u>	<u>1,000,121</u>	<u>829,827</u>	<u>(170,294)</u>
Expenditures:				
Current:				
Human services				
Personal services	42,823	42,823	39,969	2,854
Materials and supplies	-	4,000	2,076	1,924
Contractual services	910,000	910,000	269,228	640,772
Other	250,800	250,311	69,301	181,010
Total expenditures	<u>1,203,623</u>	<u>1,207,134</u>	<u>380,574</u>	<u>826,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,502)</u>	<u>(207,013)</u>	<u>449,253</u>	<u>656,266</u>
Other financing sources (uses):				
Transfers in	353,500	353,500	340,000	(13,500)
Transfers out	<u>(707,638)</u>	<u>(707,638)</u>	<u>(559,497)</u>	<u>148,141</u>
Total other financing sources (uses)	<u>(354,138)</u>	<u>(354,138)</u>	<u>(219,497)</u>	<u>134,641</u>
Net change in fund balance	(557,640)	(561,151)	229,756	790,907
Fund balance at beginning of year	563,459	563,459	563,459	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 5,819</u>	<u>\$ 2,308</u>	<u>\$ 793,215</u>	<u>\$ 790,907</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COMMUNITY CORRECTIONS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 38,706	\$ 38,706	\$ -	\$ (38,706)
Total revenues	<u>38,706</u>	<u>38,706</u>	<u>-</u>	<u>(38,706)</u>
Expenditures:				
Current:				
Public safety				
Personal services.	19,353	19,353	-	19,353
Other	<u>19,353</u>	<u>19,353</u>	<u>-</u>	<u>19,353</u>
Total expenditures	<u>38,706</u>	<u>38,706</u>	<u>-</u>	<u>38,706</u>
Net change in fund balance.	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 420,000	\$ 420,000	\$ 420,000	\$ -
Rental income	134,308	134,308	134,308	-
Total revenues	<u>554,308</u>	<u>554,308</u>	<u>554,308</u>	<u>-</u>
Expenditures:				
Debt service				
Principal retirement	307,000	307,000	307,000	-
Interest and fiscal charges	237,173	233,173	233,173	-
Total expenditures	<u>544,173</u>	<u>540,173</u>	<u>540,173</u>	<u>-</u>
Net change in fund balance	10,135	14,135	14,135	-
Fund balance at beginning of year	135,910	135,910	135,910	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 146,045</u>	<u>\$ 150,045</u>	<u>\$ 150,045</u>	<u>\$ -</u>

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HOLMES COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 251,522	\$ 166,031	\$ 472	\$ 149,390
Sales taxes.	-	12,000	-	-
Accounts	-	110	-	5,796
Total assets	<u>\$ 251,522</u>	<u>\$ 178,141</u>	<u>\$ 472</u>	<u>\$ 155,186</u>
Liabilities:				
Accounts payable.	\$ -	\$ 1,325	\$ -	\$ -
Due to other governments	178	-	-	115
Deferred revenue	-	6,000	-	-
Total liabilities.	<u>178</u>	<u>7,325</u>	<u>-</u>	<u>115</u>
Fund Balances:				
Fund Balance:				
Reserved for encumbrances	-	-	-	195
Unreserved:				
Undesignated, reported in:				
Capital projects funds	251,344	170,816	472	154,876
Total fund balances	<u>251,344</u>	<u>170,816</u>	<u>472</u>	<u>155,071</u>
Total liabilities and fund balances	<u>\$ 251,522</u>	<u>\$ 178,141</u>	<u>\$ 472</u>	<u>\$ 155,186</u>

<u>Recorder's Equipment</u>	<u>Total</u>
\$ 20,368	\$ 587,783
-	12,000
100	6,006
<u>\$ 20,468</u>	<u>\$ 605,789</u>
\$ -	\$ 1,325
4,090	4,383
-	6,000
<u>4,090</u>	<u>11,708</u>
455	650
<u>15,923</u>	<u>593,431</u>
<u>16,378</u>	<u>594,081</u>
<u>\$ 20,468</u>	<u>\$ 605,789</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Mental Retardation Capital</u>	<u>Capital Improvements</u>	<u>Landfill Capital Projects</u>	<u>Capital Computerization</u>
Revenues:				
Sales taxes	\$ -	\$ 217,465	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	78,484
Intergovernmental	23,200	-	-	-
Investment income	-	2,353	-	1,946
Other	<u>1,500</u>	<u>2,585</u>	<u>-</u>	<u>10,528</u>
Total revenues	<u>24,700</u>	<u>222,403</u>	<u>-</u>	<u>90,958</u>
Expenditures:				
Capital outlay	<u>246,618</u>	<u>100,943</u>	<u>10,004</u>	<u>43,502</u>
Total expenditures	<u>246,618</u>	<u>100,943</u>	<u>10,004</u>	<u>43,502</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(221,918)</u>	<u>121,460</u>	<u>(10,004)</u>	<u>47,456</u>
Other financing sources (uses):				
Transfers in	215,862	-	-	-
Transfers out	<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>207,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(14,056)	121,460	(10,004)	47,456
Fund balance at beginning of year	<u>265,400</u>	<u>49,356</u>	<u>10,476</u>	<u>107,615</u>
Fund balance at end of year	<u>\$ 251,344</u>	<u>\$ 170,816</u>	<u>\$ 472</u>	<u>\$ 155,071</u>

<u>Recorder's Equipment</u>	<u>Total</u>
\$ -	\$ 217,465
23,624	23,624
-	78,484
-	23,200
-	4,299
-	14,613
23,624	361,685
27,613	428,680
27,613	428,680
(3,989)	(66,995)
-	215,862
-	(8,000)
-	207,862
(3,989)	140,867
20,367	453,214
\$ 16,378	\$ 594,081

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MENTAL RETARDATION CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 23,200	\$ 23,200	\$ -
Other	-	1,500	1,500	-
Total revenues	-	24,700	24,700	-
Expenditures:				
Current:				
Capital outlay	\$ 273,500	\$ 303,000	\$ 246,440	\$ 56,560
Total expenditures	273,500	303,000	246,440	56,560
Other financing sources (uses):				
Transfers in	200,000	215,861	215,862	1
Transfers out	-	(8,000)	(8,000)	-
Total other financing sources (uses)	200,000	207,861	207,862	1
Net change in fund balance	(73,500)	(70,439)	(13,878)	56,561
Fund balance at beginning of year	265,400	265,400	265,400	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 191,900</u>	<u>\$ 194,961</u>	<u>\$ 251,522</u>	<u>\$ 56,561</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 83,499	\$ 184,964	\$ 217,465	\$ 32,501
Investment income	-	-	2,141	2,141
Other.	78,000	78,000	2,475	(75,525)
	<u>161,499</u>	<u>262,964</u>	<u>222,081</u>	<u>(40,883)</u>
Expenditures:				
Capital outlay.	76,800	225,915	111,121	114,794
	<u>76,800</u>	<u>225,915</u>	<u>111,121</u>	<u>114,794</u>
Excess of revenues over expenditures	84,699	37,049	110,960	73,911
Other financing sources:				
Transfers in	8,000	8,000	-	(8,000)
	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Net change in fund balance.	92,699	45,049	110,960	65,911
Fund balance at beginning of year	53,945	53,945	53,945	-
Prior year encumbrances appropriated.	800	800	800	-
	<u>53,945</u>	<u>53,945</u>	<u>53,945</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147,444</u>	<u>\$ 99,794</u>	<u>\$ 165,705</u>	<u>\$ 65,911</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LANDFILL CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay	\$ -	\$ 10,476	\$ 10,004	\$ 472
Total expenditures.	<u>-</u>	<u>10,476</u>	<u>10,004</u>	<u>472</u>
Net change in fund balance.	-	(10,476)	(10,004)	472
Fund balance at beginning of year	\$ 10,476	\$ 10,476	\$ 10,476	\$ -
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	<u>\$ 10,476</u>	<u>\$ -</u>	<u>\$ 472</u>	<u>\$ 472</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures.	\$ 32,400	\$ 32,400	\$ 76,647	\$ 44,247
Investment income.	150	150	1,884	1,734
Other.	10,000	10,000	9,869	(131)
Total revenues	<u>42,550</u>	<u>42,550</u>	<u>88,400</u>	<u>45,850</u>
Expenditures:				
Capital outlay	<u>87,094</u>	<u>110,318</u>	<u>47,324</u>	<u>62,994</u>
Total expenditures	<u>87,094</u>	<u>110,318</u>	<u>47,324</u>	<u>62,994</u>
Net change in fund balance.	(44,544)	(67,768)	41,076	108,844
Fund balance at beginning of year	106,290	106,290	106,290	-
Prior year encumbrances appropriated	<u>1,626</u>	<u>1,626</u>	<u>1,626</u>	<u>-</u>
Fund balance at end of year	<u>\$ 63,372</u>	<u>\$ 40,148</u>	<u>\$ 148,992</u>	<u>\$ 108,844</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 RECORDER'S EQUIPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 155,000	\$ 155,000	\$ 23,696	\$ (131,304)
Other	2,000	2,000	-	(2,000)
Total revenues	<u>157,000</u>	<u>157,000</u>	<u>23,696</u>	<u>(133,304)</u>
Expenditures:				
Capital outlay	43,000	43,000	27,817	15,183
Total expenditures.	<u>43,000</u>	<u>43,000</u>	<u>27,817</u>	<u>15,183</u>
Net change in fund balance.	114,000	114,000	(4,121)	(118,121)
Fund balance at beginning of year.	19,989	19,989	19,989	-
Prior year encumbrances appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 135,989</u>	<u>\$ 135,989</u>	<u>\$ 17,868</u>	<u>\$ (118,121)</u>

HOLMES COUNTY, OHIO
INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

Major Enterprise Funds

Sewer District

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

County Disposal

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

Joel Pomerene Hospital

To account for the operation of the Joel Pomerene Hospital.

Nonmajor Enterprise Fund

East Holmes Water

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

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SEWER DISTRICT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 683,850	\$ 798,227	\$ 699,928	\$ (98,299)
Other	20,000	20,000	147	(19,853)
Total operating revenues	703,850	818,227	700,075	(118,152)
Operating expenses:				
Personal services.	198,650	197,119	191,575	5,544
Materials and supplies	17,000	16,000	14,376	1,624
Contractual services	158,948	195,995	174,017	21,978
Capital outlay	150,000	269,196	158,946	110,250
Total operating expenses	524,598	678,310	538,914	139,396
Operating income.	179,252	139,917	161,161	21,244
Nonoperating revenue (expense):				
Principal retirement	(53,175)	(53,175)	(53,175)	-
Interest and fiscal charges	(135,250)	(127,398)	(127,398)	-
Interest revenue.	-	2,585	6,486	3,901
Total nonoperating revenue (expense)	(188,425)	(177,988)	(174,087)	3,901
Net loss before transfers	(9,173)	(38,071)	(12,926)	25,145
Transfer in.	150,000	323,250	835,601	512,351
Transfer out	(7,000)	(835,601)	(835,601)	-
Net income (loss)	133,827	(550,422)	(12,926)	537,496
Fund equity at beginning of year	814,085	814,085	814,085	-
Prior year encumbrances appropriated	948	948	948	-
Fund equity at end of year	<u>\$ 948,860</u>	<u>\$ 264,611</u>	<u>\$ 802,107</u>	<u>\$ 537,496</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 COUNTY DISPOSAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Royalties and fees	\$ 139,200	\$ 139,200	\$ 90,351	\$ (48,849)
Total operating revenues	<u>139,200</u>	<u>139,200</u>	<u>90,351</u>	<u>(48,849)</u>
Operating expenses:				
Personal services.	54,350	54,633	54,122	511
Contractual services	<u>33,500</u>	<u>60,917</u>	<u>55,750</u>	<u>5,167</u>
Total operating expenses	<u>87,850</u>	<u>115,550</u>	<u>109,872</u>	<u>5,678</u>
Net income (loss)	51,350	23,650	(19,521)	(43,171)
Fund equity at beginning of year	54,474	54,474	54,474	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year	<u>\$ 105,824</u>	<u>\$ 78,124</u>	<u>\$ 34,953</u>	<u>\$ (43,171)</u>

HOLMES COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EAST HOLMES WATER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Charges for services	\$ 9,000	\$ 9,000	\$ 5,744	\$ (3,256)
Other	-	-	-	-
Total operating revenues	<u>9,000</u>	<u>9,000</u>	<u>5,744</u>	<u>(3,256)</u>
Operating expenses:				
Contractual services	<u>7,950</u>	<u>7,950</u>	<u>7,681</u>	<u>269</u>
Total operating expenses	<u>7,950</u>	<u>7,950</u>	<u>7,681</u>	<u>269</u>
Net income (loss)	1,050	1,050	(1,937)	(2,987)
Fund equity at beginning of year	2,863	2,863	2,863	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity at end of year.	<u>\$ 3,913</u>	<u>\$ 3,913</u>	<u>\$ 926</u>	<u>\$ (2,987)</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

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

Agency Funds

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

District Board of Health

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

Gasoline and License Tax

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

Undivided Real and Personal Property Taxes

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

Alimony and Child Support

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

Other Agency Funds

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

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

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
District Board of Health				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,176,978	\$ 4,785,754	\$ 4,750,776	\$ 1,211,956
Accounts receivable.	1,670	2,701	1,670	2,701
Total assets.	<u>\$ 1,178,648</u>	<u>\$ 4,788,455</u>	<u>\$ 4,752,446</u>	<u>\$ 1,214,657</u>
Liabilities:				
Accounts payable.	\$ 71,572	\$ 157,443	\$ 71,572	\$ 157,443
Undistributed assets	1,107,076	4,631,012	4,680,874	1,057,214
Total liabilities.	<u>\$ 1,178,648</u>	<u>\$ 4,788,455</u>	<u>\$ 4,752,446</u>	<u>\$ 1,214,657</u>
Soil and Water Conservation				
Assets:				
Equity in pooled cash and cash equivalents	\$ 58,507	\$ 340,371	\$ 266,348	\$ 132,530
Cash and cash equivalents in segregated accounts	441,024	403,776	441,024	403,776
Accounts receivable.	13,108	-	13,108	-
Total assets.	<u>\$ 512,639</u>	<u>\$ 744,147</u>	<u>\$ 720,480</u>	<u>\$ 536,306</u>
Liabilities:				
Accounts payable.	\$ 12,609	\$ 9,504	\$ 12,609	\$ 9,504
Undistributed assets	500,030	734,643	707,871	526,802
Total liabilities.	<u>\$ 512,639</u>	<u>\$ 744,147</u>	<u>\$ 720,480</u>	<u>\$ 536,306</u>
Park District				
Assets:				
Equity in pooled cash and cash equivalents	\$ 492,174	\$ 269,901	\$ 516,558	\$ 245,517
Cash in segregated accounts	32,412	-	32,412	-
Taxes receivable	103,347	109,916	103,347	109,916
Due from other governments	4,624	5,737	4,624	5,737
Accounts receivable.	16	4,856	16	4,856
Total assets.	<u>\$ 632,573</u>	<u>\$ 390,410</u>	<u>\$ 656,957</u>	<u>\$ 366,026</u>
Liabilities:				
Accounts payable	\$ 2,984	\$ 2,675	\$ 2,984	\$ 2,675
Due to other governments.	5,565	8,379	5,565	8,379
Undistributed assets	624,024	379,356	648,408	354,972
Total liabilities.	<u>\$ 632,573</u>	<u>\$ 390,410</u>	<u>\$ 656,957</u>	<u>\$ 366,026</u>
Sheriff's Law Enforcement				
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,005	\$ 2,329	\$ -	\$ 5,334
Accounts receivable.	150	511	150	511
Total assets.	<u>\$ 3,155</u>	<u>\$ 2,840</u>	<u>\$ 150</u>	<u>\$ 5,845</u>
Liabilities:				
Undistributed assets.	\$ 3,155	\$ 2,840	\$ 150	\$ 5,845
Total liabilities	<u>\$ 3,155</u>	<u>\$ 2,840</u>	<u>\$ 150</u>	<u>\$ 5,845</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Balance 12/31/06	Additions	Reductions	Balance 12/31/07
County Public Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,292,876	\$ 1,292,876	\$ -
Due from other governments	99,765	651,472	99,765	651,472
Total assets.	<u>\$ 99,765</u>	<u>\$ 1,944,348</u>	<u>\$ 1,392,641</u>	<u>\$ 651,472</u>
Liabilities:				
Undistributed assets	\$ 99,765	\$ 1,944,348	\$ 1,392,641	\$ 651,472
Total liabilities.	<u>\$ 99,765</u>	<u>\$ 1,944,348</u>	<u>\$ 1,392,641</u>	<u>\$ 651,472</u>
Ohio Election Commission				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,920	\$ 1,680	\$ 240
Total assets.	<u>\$ -</u>	<u>\$ 1,920</u>	<u>\$ 1,680</u>	<u>\$ 240</u>
Liabilities:				
Undistributed assets	\$ -	\$ 1,920	\$ 1,680	\$ 240
Total liabilities.	<u>\$ -</u>	<u>\$ 1,920</u>	<u>\$ 1,680</u>	<u>\$ 240</u>
Gasoline and License Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 65,230	\$ 1,541,096	\$ 1,533,634	\$ 72,692
Due from other governments	603,410	645,434	603,410	645,434
Total assets.	<u>\$ 668,640</u>	<u>\$ 2,186,530</u>	<u>\$ 2,137,044</u>	<u>\$ 718,126</u>
Liabilities:				
Due to other governments.	\$ 502,577	\$ 645,434	\$ 502,577	\$ 645,434
Undistributed assets	166,063	1,541,096	1,634,467	72,692
Total liabilities.	<u>\$ 668,640</u>	<u>\$ 2,186,530</u>	<u>\$ 2,137,044</u>	<u>\$ 718,126</u>
Undivided Inheritance Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 406,178	\$ 452,807	\$ 700,135	\$ 158,850
Taxes receivable	-	-	-	-
Total assets.	<u>\$ 406,178</u>	<u>\$ 452,807</u>	<u>\$ 700,135</u>	<u>\$ 158,850</u>
Liabilities:				
Due to other governments.	\$ 132	\$ 44	\$ 132	\$ 44
Undistributed assets	406,046	452,763	700,003	158,806
Total liabilities.	<u>\$ 406,178</u>	<u>\$ 452,807</u>	<u>\$ 700,135</u>	<u>\$ 158,850</u>
Undivided Municipal Permissive Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 88,015	\$ 23,031	\$ 3,607	\$ 107,439
Due from other governments	1,708	-	1,708	-
Total assets.	<u>\$ 89,723</u>	<u>\$ 23,031</u>	<u>\$ 5,315</u>	<u>\$ 107,439</u>
Liabilities:				
Due to other governments.	\$ 3,607	\$ -	\$ 3,607	\$ -
Undistributed assets	86,116	23,031	1,708	107,439
Total liabilities.	<u>\$ 89,723</u>	<u>\$ 23,031</u>	<u>\$ 5,315</u>	<u>\$ 107,439</u>

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Undivided Real and Personal Property Taxes				
Assets:				
Equity in pooled cash and cash equivalents	\$ 628,038	\$ 31,347,172	\$ 31,350,792	\$ 624,418
Taxes receivable	26,102,137	25,715,117	26,102,137	25,715,117
Total assets.	<u>\$ 26,730,175</u>	<u>\$ 57,062,289</u>	<u>\$ 57,452,929</u>	<u>\$ 26,339,535</u>
Liabilities:				
Undistributed assets	\$ 26,730,175	\$ 57,062,289	\$ 57,452,929	\$ 26,339,535
Total liabilities.	<u>\$ 26,730,175</u>	<u>\$ 57,062,289</u>	<u>\$ 57,452,929</u>	<u>\$ 26,339,535</u>
State Housing Trust				
Assets:				
Equity in pooled cash and cash equivalents	\$ 41,672	\$ 162,426	\$ 167,081	\$ 37,017
Due from other governments	1,142	663	1,142	663
Total assets.	<u>\$ 42,814</u>	<u>\$ 163,089</u>	<u>\$ 168,223</u>	<u>\$ 37,680</u>
Liabilities:				
Undistributed assets	\$ 42,814	\$ 126,442	\$ 168,223	\$ 1,033
Due to other governments	-	36,647	-	36,647
Total liabilities.	<u>\$ 42,814</u>	<u>\$ 163,089</u>	<u>\$ 168,223</u>	<u>\$ 37,680</u>
State Settlements				
Assets:				
Equity in pooled cash and cash equivalents	\$ 151	\$ 135,333	\$ 135,333	\$ 151
Total assets.	<u>\$ 151</u>	<u>\$ 135,333</u>	<u>\$ 135,333</u>	<u>\$ 151</u>
Liabilities:				
Undistributed assets	\$ 151	\$ 135,333	\$ 135,333	\$ 151
Total liabilities.	<u>\$ 151</u>	<u>\$ 135,333</u>	<u>\$ 135,333</u>	<u>\$ 151</u>
Undivided Cigarette Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 61	\$ 1,115	\$ 1,174	\$ 2
Total assets.	<u>\$ 61</u>	<u>\$ 1,115</u>	<u>\$ 1,174</u>	<u>\$ 2</u>
Liabilities:				
Undistributed assets	\$ 61	\$ 1,115	\$ 1,174	\$ 2
Total liabilities.	<u>\$ 61</u>	<u>\$ 1,115</u>	<u>\$ 1,174</u>	<u>\$ 2</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Law Library				
Assets:				
Equity in pooled cash and cash equivalents	\$ 301	\$ 73,967	\$ 74,166	\$ 102
Accounts receivable.	4,796	6,015	4,796	6,015
Total assets.	<u>\$ 5,097</u>	<u>\$ 79,982</u>	<u>\$ 78,962</u>	<u>\$ 6,117</u>
Liabilities:				
Undistributed assets	\$ 5,097	\$ 79,982	\$ 78,962	\$ 6,117
Total liabilities.	<u>\$ 5,097</u>	<u>\$ 79,982</u>	<u>\$ 78,962</u>	<u>\$ 6,117</u>
Undivided Trailer Tax				
Assets:				
Equity in pooled cash and cash equivalents	\$ 20,701	\$ 245,551	\$ 251,706	\$ 14,546
Total assets.	<u>\$ 20,701</u>	<u>\$ 245,551</u>	<u>\$ 251,706</u>	<u>\$ 14,546</u>
Liabilities:				
Undistributed assets	\$ 20,701	\$ 245,551	\$ 251,706	\$ 14,546
Total liabilities.	<u>\$ 20,701</u>	<u>\$ 245,551</u>	<u>\$ 251,706</u>	<u>\$ 14,546</u>
Undivided Local Government				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 798,524	\$ 798,524	\$ -
Due from other governments	159,791	174,313	159,791	174,313
Total assets.	<u>\$ 159,791</u>	<u>\$ 972,837</u>	<u>\$ 958,315</u>	<u>\$ 174,313</u>
Liabilities:				
Undistributed assets	\$ 159,791	\$ 972,837	\$ 958,315	\$ 174,313
Total liabilities.	<u>\$ 159,791</u>	<u>\$ 972,837</u>	<u>\$ 958,315</u>	<u>\$ 174,313</u>
Undivided Local Government Revenue				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 320,805	\$ 320,805	\$ -
Due from other governments	64,161	71,083	64,161	71,083
Total assets.	<u>\$ 64,161</u>	<u>\$ 391,888</u>	<u>\$ 384,966</u>	<u>\$ 71,083</u>
Liabilities:				
Undistributed assets	\$ 64,161	\$ 391,888	\$ 384,966	\$ 71,083
Total liabilities.	<u>\$ 64,161</u>	<u>\$ 391,888</u>	<u>\$ 384,966</u>	<u>\$ 71,083</u>

-- Continued

HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Payroll				
Assets:				
Equity in pooled cash and cash equivalents	\$ 352,914	\$ 4,869,590	\$ 4,670,898	\$ 551,606
Cash in segregated accounts	-	84,736	-	84,736
Total assets.	<u>\$ 352,914</u>	<u>\$ 4,954,326</u>	<u>\$ 4,670,898</u>	<u>\$ 636,342</u>
Liabilities:				
Accounts payable	\$ 15,138	-	\$ 15,138	\$ -
Due to other governments	-	25,064	-	25,064
Undistributed assets	337,776	4,929,262	4,655,760	611,278
Total liabilities.	<u>\$ 352,914</u>	<u>\$ 4,954,326</u>	<u>\$ 4,670,898</u>	<u>\$ 636,342</u>
Alimony and Child Support				
Assets:				
Accounts receivable.	\$ 108,997	\$ 109,539	\$ 108,997	\$ 109,539
Total assets.	<u>\$ 108,997</u>	<u>\$ 109,539</u>	<u>\$ 108,997</u>	<u>\$ 109,539</u>
Liabilities:				
Undistributed assets	\$ 108,997	\$ 109,539	\$ 108,997	\$ 109,539
Total liabilities.	<u>\$ 108,997</u>	<u>\$ 109,539</u>	<u>\$ 108,997</u>	<u>\$ 109,539</u>
Sheriff's Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 10,232	\$ 25,580	\$ 10,232	\$ 25,580
Total assets.	<u>\$ 10,232</u>	<u>\$ 25,580</u>	<u>\$ 10,232</u>	<u>\$ 25,580</u>
Liabilities:				
Undistributed assets	\$ 10,232	\$ 25,580	\$ 10,232	\$ 25,580
Total liabilities.	<u>\$ 10,232</u>	<u>\$ 25,580</u>	<u>\$ 10,232</u>	<u>\$ 25,580</u>
Court Agency				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 164,740	\$ 273,864	\$ 164,740	\$ 273,864
Total assets.	<u>\$ 164,740</u>	<u>\$ 273,864</u>	<u>\$ 164,740</u>	<u>\$ 273,864</u>
Liabilities:				
Undistributed assets	\$ 164,740	\$ 273,864	\$ 164,740	\$ 273,864
Total liabilities.	<u>\$ 164,740</u>	<u>\$ 273,864</u>	<u>\$ 164,740</u>	<u>\$ 273,864</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
County Home Patient				
Assets:				
Cash and cash equivalents in segregated accounts	\$ 1,034	\$ 864	\$ 1,034	\$ 864
Total assets.	<u>\$ 1,034</u>	<u>\$ 864</u>	<u>\$ 1,034</u>	<u>\$ 864</u>
Liabilities:				
Undistributed assets	\$ 1,034	\$ 864	\$ 1,034	\$ 864
Total liabilities.	<u>\$ 1,034</u>	<u>\$ 864</u>	<u>\$ 1,034</u>	<u>\$ 864</u>
Travel and Tourism				
Assets:				
Equity in pooled cash and cash equivalents	\$ 271,877	\$ 433,332	\$ 547,892	\$ 157,317
Taxes receivable	29,951	32,839	29,951	32,839
Total assets	<u>\$ 301,828</u>	<u>\$ 466,171</u>	<u>\$ 577,843</u>	<u>\$ 190,156</u>
Liabilities:				
Undistributed assets.	\$ 301,828	\$ 466,171	\$ 577,843	\$ 190,156
Total liabilities	<u>\$ 301,828</u>	<u>\$ 466,171</u>	<u>\$ 577,843</u>	<u>\$ 190,156</u>
Special Taxing Districts				
Assets:				
Equity in pooled cash and cash equivalents	\$ 694	\$ 24,319,688	\$ 24,320,382	\$ -
Total assets.	<u>\$ 694</u>	<u>\$ 24,319,688</u>	<u>\$ 24,320,382</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets.	\$ 694	\$ 24,319,688	\$ 24,320,382	\$ -
Total liabilities	<u>\$ 694</u>	<u>\$ 24,319,688</u>	<u>\$ 24,320,382</u>	<u>\$ -</u>
Community Care Pooled				
Assets:				
Equity in pooled cash and cash equivalents	\$ 93,993	\$ 39,030	\$ 31,578	\$ 101,445
Total assets.	<u>\$ 93,993</u>	<u>\$ 39,030</u>	<u>\$ 31,578</u>	<u>\$ 101,445</u>
Liabilities:				
Accounts payable	\$ 35,164	\$ 37,101	\$ 35,164	\$ 37,101
Due to other governments.	-	7,133	-	7,133
Undistributed assets.	58,829	(5,204)	(3,586)	57,211
Total liabilities	<u>\$ 93,993</u>	<u>\$ 39,030</u>	<u>\$ 31,578</u>	<u>\$ 101,445</u>

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HOLMES COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Emergency Management Services Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 277,458	\$ 277,458	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 277,458</u>	<u>\$ 277,458</u>	<u>\$ -</u>
Liabilities:				
Undistributed assets	\$ -	\$ 277,458	\$ 277,458	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 277,458</u>	<u>\$ 277,458</u>	<u>\$ -</u>
Family and Children First Council				
Assets:				
Equity in pooled cash and cash equivalents	\$ 213,865	\$ 929,690	\$ 805,696	\$ 337,859
Due from other governments	20,570	-	20,570	-
Total assets.	<u>\$ 234,435</u>	<u>\$ 929,690</u>	<u>\$ 826,266</u>	<u>\$ 337,859</u>
Liabilities:				
Due to other governments.	\$ 234,435	\$ 929,690	\$ 826,266	\$ 337,859
Total liabilities.	<u>\$ 234,435</u>	<u>\$ 929,690</u>	<u>\$ 826,266</u>	<u>\$ 337,859</u>
<i>All Agency Funds</i>				
Assets				
Equity in pooled cash and cash equivalents	\$ 3,914,354	\$ 72,663,766	\$ 72,819,099	\$ 3,759,021
Cash and cash equivalents in segregated accounts	649,442	788,820	649,442	788,820
Taxes receivable	26,235,435	25,857,872	26,235,435	25,857,872
Accounts receivable.	128,737	123,622	128,737	123,622
Due from other governments	955,171	1,548,702	955,171	1,548,702
Total assets.	<u>\$ 31,883,139</u>	<u>\$ 100,982,782</u>	<u>\$ 100,787,884</u>	<u>\$ 32,078,037</u>
Liabilities				
Accounts payable	\$ 137,467	\$ 206,723	\$ 137,467	\$ 206,723
Due to other governments.	746,316	1,652,391	1,338,147	1,060,560
Undistributed assets	30,999,356	99,123,668	99,312,270	30,810,754
Total liabilities.	<u>\$ 31,883,139</u>	<u>\$ 100,982,782</u>	<u>\$ 100,787,884</u>	<u>\$ 32,078,037</u>

STATISTICAL SECTION

HOLMES COUNTY, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	S 2 - S 9
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue sources, the property tax and sales tax.	S 10 - S 18
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	S 19 - S 24
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	S 25 - S 29
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	S 30 - S37

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

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 20,491,817	\$ 20,420,421	\$ 22,748,246	\$ 19,832,946	\$ 18,521,225
Restricted	10,044,588	10,309,360	10,477,227	10,915,166	10,769,848
Unrestricted	1,415,544	1,760,560	1,800,754	1,897,003	1,766,853
Total governmental activities net assets	<u>\$ 31,951,949</u>	<u>\$ 32,490,341</u>	<u>\$ 35,026,227</u>	<u>\$ 32,645,115</u>	<u>\$ 31,057,926</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 16,283,658	\$ 12,309,621	\$ 12,350,301	\$ 10,591,883	\$ 10,518,569
Restricted	1,300,072	1,694,355	-	-	-
Unrestricted	6,248,563	9,906,770	9,838,950	10,055,540	9,879,354
Total business-type activities net assets	<u>\$ 23,832,293</u>	<u>\$ 23,910,746</u>	<u>\$ 22,189,251</u>	<u>\$ 20,647,423</u>	<u>\$ 20,397,923</u>
Primary government					
Invested in capital assets, net of related debt	\$ 36,775,475	\$ 32,730,042	\$ 35,098,547	\$ 30,424,829	\$ 29,039,794
Restricted	11,344,660	12,003,715	10,477,227	10,915,166	10,769,848
Unrestricted	7,664,107	11,667,330	11,639,704	11,952,543	11,646,207
Total primary government net assets	<u>\$ 55,784,242</u>	<u>\$ 56,401,087</u>	<u>\$ 57,215,478</u>	<u>\$ 53,292,538</u>	<u>\$ 51,455,849</u>

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

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Governmental activities:					
General government					
Legislative and executive	\$ 4,989,338	\$ 4,835,372	\$ 4,307,187	\$ 4,182,615	\$ 4,046,800
Judicial	1,836,904	1,635,998	1,982,537	1,850,754	1,604,791
Public safety	4,258,581	3,615,617	4,883,558	4,386,860	4,116,338
Public works	7,723,877	5,440,623	5,510,580	4,647,634	4,129,490
Health	243,377	185,419	220,165	199,602	172,457
Human services	13,256,225	12,375,027	12,144,961	10,732,872	10,816,474
Conservation and recreation	457,733	548,120	604,896	1,381,923	640,265
Other	-	-	17,833	59,724	880
Interest and fiscal charges	231,959	245,809	279,275	285,079	326,124
Total governmental activities expenses	<u>32,997,994</u>	<u>28,881,985</u>	<u>29,950,992</u>	<u>27,727,063</u>	<u>25,853,619</u>
Business-type activities:					
Sewer District	904,511	897,629	695,417	729,803	732,630
County Disposal	792,330	566,513	714,376	491,614	433,900
Joel Pomerene Hospital	35,520,544	30,651,830	25,396,163	24,798,716	22,107,075
East Holmes Water	8,806	5,273	7,290	9,616	8,773
Total business-type activities expenses	<u>37,226,191</u>	<u>32,121,245</u>	<u>26,813,246</u>	<u>26,029,749</u>	<u>23,282,378</u>
Total primary government expenses	<u>\$ 70,224,185</u>	<u>\$ 61,003,230</u>	<u>\$ 56,764,238</u>	<u>\$ 53,756,812</u>	<u>\$ 49,135,997</u>

- (continued)

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government					
Legislative and executive	\$ 2,828,600	\$ 2,445,474	\$ 2,135,184	\$ 2,360,126	\$ 1,998,224
Judicial	342,572	389,993	284,192	323,382	250,219
Public safety	251,038	74,675	184,344	68,231	152,442
Public works	1,685,916	1,339,576	993,060	689,790	513,811
Health	145,923	141,080	143,942	125,269	108,761
Human services	890,881	1,027,538	766,465	777,995	1,401,057
Conservation and recreation	-	-	-	1,887	15,461
Operating grants and contributions					
General government					
Legislative and executive	484,894	175,428	763,379	212,300	631,568
Judicial	73,571	-	88,178	69,090	100,321
Public safety	296,318	312,200	423,731	786,474	358,121
Public works	5,368,726	4,456,707	4,522,635	3,942,759	3,389,414
Health	-	-	-	-	-
Human services	6,942,626	5,903,908	5,989,982	5,492,869	6,038,712
Conservation and recreation	-	9,000	36,000	46,497	48,990
Capital grants and contributions					
Public works	23,200	-	594,026	-	114,773
Conservation and recreation	-	-	1,707,637	1,902,565	177,248
Total governmental program revenues	<u>19,334,265</u>	<u>16,275,579</u>	<u>18,632,755</u>	<u>16,799,234</u>	<u>15,299,122</u>
Business-type activities:					
Charges for services:					
Sewer District	656,727	705,785	723,251	694,613	902,225
County Disposal	84,519	86,564	128,386	86,002	48,474
Joel Pomerene Hospital	33,620,215	29,772,976	25,690,208	25,428,600	24,029,814
East Holmes Water	6,800	5,443	5,809	5,843	3,418
Operating grants and contributions					
Sewer District	-	-	272,746	-	-
Joel Pomerene Hospital	2,468,975	-	738,119	-	-
Total business-type activities program revenues	<u>36,837,236</u>	<u>30,570,768</u>	<u>27,558,519</u>	<u>26,215,058</u>	<u>24,983,931</u>
Total primary government program revenue	<u>\$ 56,171,501</u>	<u>\$ 46,846,347</u>	<u>\$ 46,191,274</u>	<u>\$ 43,014,292</u>	<u>\$ 40,283,053</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (13,663,729)</u>	<u>\$ (12,606,406)</u>	<u>\$ (11,318,237)</u>	<u>\$ (10,927,829)</u>	<u>\$ (10,554,497)</u>
Business-type activities	<u>(388,955)</u>	<u>(1,550,477)</u>	<u>745,273</u>	<u>185,309</u>	<u>1,701,553</u>
Total primary government net expense	<u>\$ (14,052,684)</u>	<u>\$ (14,156,883)</u>	<u>\$ (10,572,964)</u>	<u>\$ (10,742,520)</u>	<u>\$ (8,852,944)</u>

- (continued)

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 6,037,333	\$ 6,240,765	\$ 6,385,560	\$ 5,805,122	\$ 5,514,831
Sales taxes	4,494,403	4,271,824	4,442,924	4,269,613	4,494,544
Unrestricted grants and contributions	1,230,309	1,034,329	953,881	1,094,021	1,060,162
Investment earnings	630,303	609,078	397,310	269,905	312,680
Miscellaneous	732,989	1,631,750	2,237,498	1,076,357	627,380
Special items, net	-	(2,800,830)			
Total governmental activities	<u>13,125,337</u>	<u>10,986,916</u>	<u>14,417,173</u>	<u>12,515,018</u>	<u>12,009,597</u>
Business-type activities:					
Investment earnings	310,355	353,162	25,709	46,129	16,352
Employee lease revenue	-	1,358,879	-	-	-
Miscellaneous	147	104,995	53,022	18,062	36,989
Total business-type activities	<u>310,502</u>	<u>1,817,036</u>	<u>78,731</u>	<u>64,191</u>	<u>53,341</u>
Total primary government	<u>\$ 13,435,839</u>	<u>\$ 12,803,952</u>	<u>\$ 14,495,904</u>	<u>\$ 12,579,209</u>	<u>\$ 12,062,938</u>
Change in Net Assets					
Governmental activities	<u>\$ (538,392)</u>	<u>\$ (1,619,490)</u>	<u>\$ 3,098,936</u>	<u>\$ 1,587,189</u>	<u>\$ 1,455,100</u>
Business-type activities	<u>(78,453)</u>	<u>266,559</u>	<u>824,004</u>	<u>249,500</u>	<u>1,754,894</u>
Total primary government	<u>\$ (616,845)</u>	<u>\$ (1,352,931)</u>	<u>\$ 3,922,940</u>	<u>\$ 1,836,689</u>	<u>\$ 3,209,994</u>

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

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved	\$ 207,337	\$ 157,714	\$ 191,887	\$ 154,528	\$ 202,671
Unreserved	946,017	1,568,665	1,431,655	1,357,931	1,211,023
Total general fund	<u>1,153,354</u>	<u>1,726,379</u>	<u>1,623,542</u>	<u>1,512,459</u>	<u>1,413,694</u>
All Other Governmental Funds					
Reserved	404,283	640,514	656,073	794,230	762,436
Unreserved, reported in:					
Designated	250,000	250,000	250,000	256,434	362,149
Special revenue funds	6,709,666	7,745,106	7,728,254	8,169,733	8,000,600
Capital projects funds	593,431	451,304	514,888	462,839	499,850
Debt service funds	185,045	170,910	158,440	147,122	133,282
Total all other governmental funds	<u>8,142,425</u>	<u>9,257,834</u>	<u>9,307,655</u>	<u>9,830,358</u>	<u>9,758,317</u>
Total governmental funds	<u>\$ 9,295,779</u>	<u>\$ 10,984,213</u>	<u>\$ 10,931,197</u>	<u>\$ 11,342,817</u>	<u>\$ 11,172,011</u>

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

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues				
Property taxes	\$ 6,044,481	\$ 6,217,513	\$ 6,077,299	\$ 5,792,917
Sales taxes	4,421,452	4,373,863	4,389,719	4,300,065
Charges for services	5,149,644	4,542,303	4,026,374	3,421,075
Licenses and permits	258,297	427,708	428,563	430,575
Fines and forfeitures	332,261	296,582	230,515	269,063
Intergovernmental	13,119,750	12,231,469	14,853,915	13,418,966
Investment income	655,334	609,040	397,336	269,879
Rental income	184,368	185,127	184,732	189,369
Contributions and donations	128,650	-	105,424	23,307
Other	889,562	1,606,630	2,237,498	1,021,733
Total revenues	<u>31,183,799</u>	<u>30,490,235</u>	<u>32,931,375</u>	<u>29,136,949</u>
Expenditures				
Current:				
General government:				
Legislative and executive	4,993,346	4,715,180	4,098,361	3,735,726
Judicial	1,822,322	1,579,585	1,936,747	1,810,633
Public safety	4,015,005	3,906,278	4,783,569	4,292,574
Public works	7,453,071	6,361,169	5,487,018	4,601,017
Health	234,995	200,318	197,542	177,483
Human services	12,965,285	12,190,408	12,444,764	10,860,868
Conservation and recreation	461,356	556,167	510,007	561,718
Other	-	-	17,833	59,724
Capital outlay	428,680	376,082	2,816,753	2,253,388
Debt service:				
Principal retirement	307,000	293,000	319,112	488,348
Interest and fiscal charges	233,173	246,958	280,719	286,360
Total expenditures	<u>32,914,233</u>	<u>30,425,145</u>	<u>32,892,425</u>	<u>29,127,839</u>
Excess of revenues over (under) expenditures	(1,730,434)	65,090	38,950	9,110
Other Financing Sources (Uses):				
Sale of capital assets	42,000	-	-	-
Notes issued	-	-	-	161,696
Bonds issued	-	-	-	-
Transfers in	1,766,065	1,690,440	963,270	1,005,135
Transfers out	(1,766,065)	(1,690,440)	(963,270)	(1,005,135)
Total other financing sources	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>161,696</u>
Special Items:				
Sale of property of Park District	-	407,399	-	-
Donation to Park District	-	(377,399)	-	-
Net change in fund balances	<u>\$ (1,688,434)</u>	<u>\$ 95,090</u>	<u>\$ 38,950</u>	<u>\$ 170,806</u>
Capital expenditures	1,658,534	3,066,808	4,134,585	2,753,125
Debt service as a percentage of noncapital expenditures	1.73%	1.97%	2.09%	2.94%

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$	5,523,704	\$ 5,441,429	\$ 4,647,880	\$ 4,260,051	\$ 4,269,435	\$ 3,862,886
	4,135,689	3,894,274	3,564,555	3,572,375	3,351,642	3,309,449
	3,383,268	2,769,018	3,015,869	3,412,975	3,288,293	2,957,982
	349,805	181,563	176,104	229,542	103,414	80,879
	206,069	365,747	337,478	226,374	285,717	285,153
	11,659,357	9,692,574	10,924,701	11,611,980	10,535,452	9,251,639
	312,680	443,219	727,365	881,579	668,665	601,051
	227,070	54,437	55,429	192,455	175,633	46,228
	41,148	188,286	49,931	44,098	149,035	304,103
	889,009	982,964	2,473,606	808,910	817,155	950,122
	<u>26,727,799</u>	<u>24,013,511</u>	<u>25,972,918</u>	<u>25,240,339</u>	<u>23,644,441</u>	<u>21,649,492</u>
	3,626,437	3,774,518	4,875,440	3,717,996	3,953,343	3,258,315
	1,597,405	1,249,785	1,038,722	1,319,260	1,337,266	1,257,178
	4,155,483	2,993,221	2,484,096	2,823,469	2,491,039	2,547,591
	4,354,476	3,484,923	3,920,469	3,162,113	2,983,628	2,844,067
	153,368	142,226	141,375	126,965	118,637	119,974
	10,811,320	10,017,667	11,175,724	10,427,129	8,942,845	8,451,089
	637,680	1,203,999	1,669,706	2,348,196	1,865,081	465,293
	880	-	-	-	-	-
	457,006	221,316	399,602	217,344	199,637	651,773
	283,000	271,000	263,000	424,606	233,000	1,932,484
	327,215	383,089	327,646	333,441	349,868	365,774
	<u>26,404,270</u>	<u>23,741,744</u>	<u>26,295,780</u>	<u>24,900,519</u>	<u>22,474,344</u>	<u>21,893,538</u>
	323,529	271,767	(322,862)	339,820	1,170,097	(244,046)
	-	-	-	-	-	-
	-	-	-	179,586	-	-
	-	-	-	-	-	2,400,250
	1,043,469	1,003,638	857,763	1,600,278	1,579,527	1,589,789
	<u>(1,043,469)</u>	<u>(1,225,604)</u>	<u>(990,998)</u>	<u>(1,773,678)</u>	<u>(1,874,672)</u>	<u>(1,923,158)</u>
	-	(221,966)	(133,235)	6,186	(295,145)	2,066,881
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>323,529</u>	<u>\$ 49,801</u>	<u>\$ (456,097)</u>	<u>\$ 346,006</u>	<u>\$ 874,952</u>	<u>\$ 1,822,835</u>
	1,350,485	2,085,378	866,348	4,688,104	2,208,353	651,773
	2.44%	3.02%	2.32%	3.75%	2.88%	10.82%

HOLMES COUNTY, OHIO

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

Collection Year	Real Property		Personal Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2007	\$ 650,156,150	\$ 1,857,589,000	\$ 49,317,310	\$ 197,269,240
2006	636,510,240	1,818,600,686	74,108,630	296,434,520
2005	615,501,660	1,758,576,171	100,669,670	402,678,680
2004	550,347,480	1,572,421,371	97,895,890	391,583,560
2003	527,192,450	1,506,264,143	93,232,620	372,930,480
2002	508,176,530	1,451,932,943	97,525,080	390,100,320
2001	459,501,280	1,312,860,800	94,995,000	379,980,000
2000	444,440,590	1,269,830,257	90,085,880	360,343,520
1999	434,148,300	1,240,423,714	86,891,610	347,566,440
1998	356,106,550	1,017,447,286	80,618,640	322,474,560

Source: Holmes County Auditor

(1) The estimated actual values of taxable property are calculated using the following percentages:

- Real property is assessed at thirty-five percent of actual value
- Public utility property is assessed at eighty-eight percent of actual value
- Tangible personal property is assessed at twenty-five percent of true value

Public Utility Property		Total		Ratio of Assessed to Actual Value
Assessed Value	Actual Value	Assessed Value	Estimated Actual Value	
\$ 27,322,520	\$ 31,048,318	\$ 726,795,980	\$ 2,085,906,558	34.84%
27,150,990	30,853,398	737,769,860	2,145,888,604	34.38%
27,239,330	30,953,784	743,410,660	2,192,208,635	33.91%
27,138,980	30,839,750	675,382,350	1,994,844,681	33.86%
26,396,010	29,995,466	646,821,080	1,909,190,089	33.88%
26,123,690	29,686,011	631,825,300	1,871,719,274	33.76%
31,050,470	35,284,625	585,546,750	1,728,125,425	33.88%
30,901,320	35,115,136	565,427,790	1,665,288,913	33.95%
32,552,060	36,990,977	553,591,970	1,624,981,131	34.07%
33,131,020	37,648,886	469,856,210	1,377,570,732	34.11%

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
County Units:										
General Fund	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25	\$ 3.25
County Home	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Training Center	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Total	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>
School Districts within the County:										
East Holmes LSD	25.70	25.95	26.25	26.30	26.65	26.85	26.40	26.40	26.40	26.70
West Holmes LSD	32.40	32.90	33.00	33.10	33.80	34.10	36.10	36.10	36.10	36.30
Overlapping School Districts:										
Danville LSD	43.79	43.76	44.00	44.60	44.60	44.60	41.00	41.00	41.00	41.00
Garaway LSD	51.90	52.25	52.10	52.65	44.60	44.60	44.80	44.80	44.80	44.80
Loudonville-Perrysville EVSD	40.83	40.54	40.90	41.50	35.00	35.60	35.70	35.70	35.70	36.40
Southeast LSD	44.40	44.50	44.90	44.90	46.15	46.15	47.05	47.05	47.05	48.30
Triway LSD	49.80	49.90	49.90	44.20	44.20	45.20	42.20	42.20	42.20	42.20
Overlapping Joint Vocational Schools:										
Wayne County	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Buckeye	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Knox County	6.40	6.40	6.40	6.40	6.40	4.10	4.10	4.10	4.10	4.10
Ashland West Holmes	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Villages:										
Glenmont	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Wayne	n/a	n/a	n/a	n/a	n/a	11.80	11.90	11.90	11.20	11.20
York	n/a	n/a	n/a	n/a	n/a	6.90	6.90	6.90	6.90	6.90
Holmesville	6.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Killbuck	7.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Millersburg	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Nashville	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Overlapping Villages:										
Loudonville	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80	11.80
Baltic	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20	9.20

- Continued

HOLMES COUNTY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Townships:										
Berlin	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Clark	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Hardy	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Killbuck	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65
Knox	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Mechanic	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Monroe	6.10	6.10	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Paint	9.60	9.60	7.10	7.10	7.10	7.10	6.60	6.60	6.60	6.60
Prairie	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Richland	7.10	7.10	7.10	7.10	7.60	7.60	7.60	7.60	7.60	7.60
Ripley	4.60	4.60	4.60	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Saltcreek	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
Walnut Creek	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Washington	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Special Districts:										
Fire District #1	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Park District	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Western Holmes Fire District	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Knox County Library	0.41	0.41	0.54	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Clark Twp. Fire Department	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	1.75
East Holmes Fire & EMS District	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Saltcreek Fire District	1.00	1.00	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Holmes County Auditor

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

2007			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Wayne Door Corp.	Manufacturer	\$ 5,397,790	0.83%
Walnut Hills Nursing Home	Business	3,927,830	0.60%
Merillat Corporation	Business	3,107,460	0.48%
Wal-Mart Real Estate	Business	2,061,240	0.32%
The Dutch Corporation	Business	1,986,020	0.31%
BE 4 KL	Business	1,842,720	0.28%
Sunset View	Business	1,809,300	0.28%
Richard C. Brunn	Business	1,755,780	0.27%
Wayne Dalton	Business	1,614,550	0.25%
Commercial Savings Bank	Business	1,409,870	0.22%
Total		\$ 24,912,560	3.84%
Total County Assessed Valuation		\$ 650,156,150	

1998			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Wayne Door Corp.	Manufacturer	\$ 4,979,510	1.40%
Merillat Corporation	Business	3,808,090	1.07%
Richard C. Brunn	Business	2,051,600	0.58%
Sunset View	Business	1,635,330	0.46%
The Dutch Corporation	Business	1,543,840	0.43%
Wayne Dalton	Business	1,509,950	0.42%
Inn at Honey Run	Business	1,079,120	0.30%
William R. Keim	Business	1,014,780	0.28%
Owens-Illinois	Business	980,280	0.28%
Walnut Hills Nursing Home	Business	946,930	0.27%
Total		\$ 19,549,430	5.49%
Total County Assessed Valuation		\$ 356,106,550	

Source: Holmes County Auditor

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

2007

<u>Taxpayer</u>	<u>Type</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Wayne Dalton Corp.	Manufacturer	\$ 4,079,770	8.27%
Gemi Holdings, Inc.	Business	2,509,760	5.09%
Owens Illinois, Inc	Manufacturer	2,264,740	4.59%
Keim Lumber Company	Business	2,149,020	4.36%
Alpine Cheese Co. Inc.	Business	1,527,560	3.10%
Weaver Leather Goods, Inc.	Business	1,476,680	2.99%
Yoder Lumber Co, Inc.	Manufacturer	1,374,710	2.79%
Guggisberg Cheese, Inc.	Business	1,114,910	2.26%
Holmes Cheese Company	Business	1,089,760	2.21%
Walmart	Business	792,610	1.61%
Total		<u>\$ 18,379,520</u>	<u>37.27%</u>
Total County Assessed Valuation		<u>\$ 49,317,310</u>	

1998

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

Source: Holmes County Auditor

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

2007			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Columbia Gas Transmission	Public Utility	\$ 7,967,110	29.16%
Ohio Power Company	Public Utility	6,731,630	24.64%
Holmes Wayne Electric	Public Utility	5,454,460	19.96%
United Telephone Company	Public Utility	2,382,170	8.72%
Verizon North	Business	928,750	3.40%
Columbia Gas of Ohio	Public Utility	953,420	3.49%
Northfolk Southern	Public Utility	542,660	1.99%
East Holmes Gas Company	Public Utility	494,760	1.81%
New Par	Public Utility	382,200	1.40%
Northeast Ohio Natural	Public Utility	319,220	1.17%
Total		\$ 26,156,380	95.74%
Total County Assessed Valuation		\$ 27,322,520	

1998			
Taxpayer	Type	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Columbia Gas Transmission	Public Utility	\$ 7,821,400	23.61%
Ohio Power Company	Public Utility	6,439,420	19.44%
United Telephone Company	Public Utility	4,536,380	13.69%
Holmes Wayne Electric	Public Utility	3,147,400	9.50%
Columbia Gas of Ohio	Public Utility	2,445,220	7.38%
GTE North	Public Utility	1,654,040	4.99%
Northeast Ohio Natural Gas	Public Utility	821,500	2.48%
East Ohio Gas	Public Utility	713,950	2.15%
Consolidated Rail Company	Public Utility	677,270	2.04%
Total		\$ 28,256,580	85.28%
Total County Assessed Valuation		\$ 33,131,020	

Source: Holmes County Auditor

HOLMES COUNTY, OHIO
SALES TAX REVENUE BY INDUSTRY
CURRENT YEAR AND ONE YEAR AGO

<u>Industry</u>	<u>2007</u> <u>Tax</u> <u>Liability</u>	<u>Percentage</u> <u>of Total</u>	<u>2006</u> <u>Tax</u> <u>Liability</u>	<u>Percentage</u> <u>of Total</u>
Retail trade	\$ 3,292,501	75.67%	\$ 3,367,412	78.09%
Service	551,588	12.67%	520,228	12.06%
Information	279,048	6.41%	225,918	5.24%
Wholesale trade	67,613	1.55%	60,456	1.40%
Manufacturing	62,950	1.45%	51,023	1.18%
Transportation and utilities	42,310	0.97%	40,640	0.94%
Finance, insurance and real estate	43,987	1.01%	37,927	0.88%
Agricultural	8,721	0.20%	6,135	0.14%
Construction	3,220	0.07%	3,084	0.07%
Total	\$ 4,351,938	100.00%	\$ 4,312,823	100.00%

Source: State Department of Taxation

HOLMES COUNTY, OHIO

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

Collection Year	Total Tax Levy (1)	Current Taxes Collected	Percent of Current Taxes Collected	Delinquent Taxes Collected	Total Tax Collections	Percent of Total Tax Collections to Current Levy	Outstanding Delinquent Taxes (2)	Ratio of Delinquent Taxes to Total Tax Levy
2007	\$ 5,920,561	\$ 5,220,539	88.18%	\$ 177,370	\$ 5,397,909	91.17%	\$ 49,529	0.84%
2006	5,801,255	5,157,007	88.89%	150,115	5,307,122	91.48%	45,719	0.79%
2005	5,622,379	4,918,764	87.49%	142,764	5,061,528	90.02%	44,346	0.79%
2004	5,262,685	4,608,977	87.58%	139,941	4,748,918	90.24%	91,530	1.74%
2003	5,033,563	4,923,966	97.82%	140,536	5,064,502	100.61%	100,123	1.99%
2002	4,859,108	4,760,267	97.97%	115,197	4,875,464	100.34%	98,521	2.03%
2001	4,138,311	4,053,472	97.95%	78,199	4,131,671	99.84%	78,400	1.89%
2000	3,873,959	3,768,637	97.28%	85,137	3,853,774	99.48%	56,801	1.47%
1999	3,787,965	3,728,243	98.42%	71,257	3,799,500	100.30%	83,360	2.20%
1998	3,140,391	3,111,527	99.08%	71,257	3,182,784	101.35%	79,194	2.52%

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

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

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	Governmental Activities	Business - Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Sewer Bonds	Hospital Bonds	OPWC Loans	Capital Leases			
2007	\$ 4,115,000	\$ 2,493,500	\$ -	\$ 247,637	\$ 274,180	\$ 7,130,317	0.82%	22,417
2006	4,422,000	2,531,500	-	127,276	310,600	7,391,376	0.86%	22,087
2005	4,715,000	2,568,500	-	106,551	224,515	7,614,566	0.92%	21,345
2004	5,025,000	2,602,500	906,835	113,363	313,089	8,960,787	1.17%	19,714
2003	5,322,000	2,809,000	960,835	120,175	397,840	9,609,850	1.30%	18,937
2002	5,605,000	2,841,000	1,311,085	126,987	110,245	9,994,317	1.34%	19,110
2001	5,876,000	2,871,000	1,827,000	76,068	244,358	10,894,426	1.55%	18,093
2000	6,139,000	2,899,000	1,875,000	78,000	289,949	11,280,949	1.69%	17,139
1999	6,379,000	2,926,000	1,920,000	-	403,738	11,628,738	1.82%	16,726
1998	6,612,000	2,952,000	1,963,000	-	520,886	12,047,886	2.01%	15,831

Source: Holmes County Auditor

(1) Information obtained from Holmes County Regional Planning Commission

HOLMES COUNTY, OHIO

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

Year	Estimated Population	Assessed Value	Gross Bonded Debt	Debt Service Monies Available	Debt Payable from Enterprise Revenues	Net General Bonded Debt	Ratio of Debt to Assessed Value	Net General Bonded Debt Per Capita
2007	38,943	\$ 726,795,980	\$ 6,608,500	\$ 185,045	\$ 2,493,500	\$ 3,929,955	0.54%	\$ 100.92
2006	38,943	737,769,860	6,953,500	170,910	2,531,500	4,251,090	0.58%	109.16
2005	38,943	743,410,660	7,283,000	158,440	2,568,000	4,556,560	0.61%	117.01
2004	38,943	675,382,350	8,534,335	147,122	3,509,335	4,877,878	0.72%	125.26
2003	38,943	646,821,080	9,091,835	133,282	3,769,835	5,188,718	0.80%	133.24
2002	38,943	631,825,300	9,757,085	103,492	4,152,085	5,501,508	0.87%	141.27
2001	38,943	585,546,750	10,574,000	170,582	4,698,000	5,705,418	0.97%	146.51
2000	38,943	565,427,790	10,913,000	142,934	4,774,000	5,996,066	1.06%	153.97
1999	38,295	553,591,970	11,225,000	97,600	4,846,000	6,281,400	1.13%	164.03
1998	37,841	469,856,210	11,527,300	83,150	4,915,300	6,528,850	1.39%	172.53

Source: Holmes County Auditor

(1) Information obtained from Holmes County Regional Planning Commission

HOLMES COUNTY, OHIO

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

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Governmental Fund Expenditures	Ratio of Debt Service to Total General Fund Expenditures
2007	\$ 307,000	\$ 233,173	\$ 540,173	\$ 32,914,233	1.64%
2006	293,000	246,958	539,958	30,425,145	1.77%
2005	310,000	270,470	580,470	32,892,425	1.76%
2004	297,000	279,660	576,660	29,127,839	1.98%
2003	283,000	292,748	575,748	26,404,270	2.18%
2002	271,000	383,089	654,089	23,087,655	2.83%
2001	263,000	317,171	580,171	25,701,066	2.26%
2000	240,000	328,032	568,032	24,332,487	2.33%
1999	233,000	338,480	571,480	21,902,864	2.61%
1998	220,000	330,202	550,202	19,581,764	2.81%

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
DECEMBER 31, 2007

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to County (1)</u>	<u>Amount Applicable to County</u>
Direct:			
Holmes County	\$ 4,115,000	100.00%	\$ 4,115,000
Village of Killbuck	25,800	100.00%	25,800
Total Direct	<u>4,140,800</u>		<u>4,140,800</u>
Overlapping:			
Village of Baltic	170,803	42.02%	71,771
Danville School District	1,381,000	4.76%	65,736
East Holmes School District	2,304,999	99.70%	2,298,084
Garaway School District	1,020,000	2.04%	20,808
West Holmes School District	12,049,987	94.81%	11,424,593
Wayne County Library District	5,690,000	1.74%	99,006
Knox County Career Center JVSD	175,701	0.21%	369
Knox County Library District	<u>540,000</u>	0.26%	<u>1,404</u>
Total Overlapping	<u>23,332,490</u>		<u>13,981,771</u>
Total	<u><u>27,473,290</u></u>		<u><u>18,122,571</u></u>

Source: Ohio Municipal Advisory Council

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

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

HOLMES COUNTY, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2007

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation of the County Collection Year 2007 (3)		
Real Property	\$ 650,156,150	\$ 650,156,150
Public Utility Personal Property (4)	24,019,300	24,019,300
Total Assessed Value for Calculating the Legal Debt Margin	674,175,450	674,175,450
Debt Limitation	15,354,386	6,741,755
Total Outstanding Debt:		
General Obligation Bonds	4,115,000	4,115,000
Revenue Bonds	2,493,500	2,493,500
Total	6,608,500	6,608,500
Exemptions:		
General Obligations Bonds Paid from Rentals	1,135,000	1,135,000
General Obligations Bonds for Jail Construction	2,000,000	2,000,000
Enterprise Bonds	2,493,500	2,493,500
Amount Available in Debt Service Fund	185,045	185,045
Total Exemptions	5,813,545	5,813,545
Net Debt	794,955	794,955
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$ 14,559,431	\$ 5,946,800

(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

(4) Due to the rapid phase-out of tangible personal property tax, including certain public utility personal property, and the long-term on a bond issue, the taxable value of such property should not be included in "total tax valuation" when setting rates. The adjusted Public Utility Personal Property should be used as it excludes all railroad and telephone property.

Note- Does not include capital leases

Source: Holmes County Auditor

HOLMES COUNTY, OHIO

PLEDGED REVENUE BOND COVERAGE
LAST NINE FISCAL YEARS

SEWER REVENUE BONDS:

Year	Operating Revenue	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (2)			Coverage
				Principal	Interest	Total	
2007	\$ 656,874	\$ 547,068	\$ 109,806	\$ 38,000	\$ 127,398	\$ 165,398	0.66
2006	705,785	484,490	221,295	37,000	182,431	219,431	1.01
2005	723,251	400,580	322,671	34,000	94,199	128,199	2.52
2004	694,613	397,798	296,815	33,000	140,450	173,450	1.71
2003	902,225	375,253	526,972	32,000	143,507	175,507	3.00
2002	889,662	747,582	142,080	30,000	143,550	173,550	0.82
2001	562,648	302,920	259,728	28,000	144,950	172,950	1.50
2000	610,872	240,806	370,066	27,000	146,300	173,300	2.14
1999	632,064	431,506	200,558	26,000	147,600	173,600	1.16

(1) Total operating expenses are exclusive of depreciation.

(2) Includes principal and interest of bonds only.

HOLMES COUNTY, OHIO

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate</u>
2007	38,943	\$ 872,985,231	\$ 22,417	4,633	4.1%
2006	38,943	860,134,041	22,087	4,712	3.8%
2005	38,943	831,238,335	21,345	4,647	3.8%
2004	38,943	767,722,302	19,714	4,662	4.2%
2003	38,943	737,463,591	18,937	4,661	2.8%
2002	38,943	744,200,730	19,110	4,635	3.6%
2001	38,943	704,595,699	18,093	4,580	2.4%
2000	38,943	667,444,077	17,139	4,616	2.4%
1999	38,295	640,522,170	16,726	4,606	2.4%
1998	37,841	599,060,871	15,831	4,640	3.4%

(1) Mid-Ohio Regional Planning Commission

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

(3) Local School Treasurer

HOLMES COUNTY, OHIO

CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES
LAST TEN YEARS

Year	New Construction			Real Property Value (1)			Bank Deposits (2)
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt	
2007	\$ 11,025,980	\$ 3,552,400	\$ 14,578,380	\$ 525,960,290	\$ 120,308,370	\$ 41,953,270	\$ 568,610
2006	14,108,040	4,895,570	19,003,610	515,033,220	118,009,840	40,528,740	549,617
2005	19,046,320	5,438,460	24,484,780	500,539,380	111,288,760	40,145,230	630,248
2004	15,570,020	9,126,520	24,696,540	453,273,610	92,959,970	35,131,490	520,868
2003	13,942,290	3,856,080	17,798,370	438,241,870	84,978,790	34,415,610	513,300
2002	12,270,820	2,365,980	14,636,800	424,208,720	80,771,420	34,166,210	501,242
2001	12,425,850	4,038,620	16,464,470	381,349,720	74,258,490	29,950,190	510,726
2000	9,259,980	2,150,950	11,410,930	368,129,320	71,573,810	29,385,830	475,000
1999	9,628,550	1,051,610	10,680,160	358,679,900	69,687,480	24,524,040	458,339
1998	10,228,720	1,423,580	11,652,300	284,539,640	65,359,310	22,345,330	430,886

Sources Holmes County Auditor
Federal Reserve Bank - Cleveland, Ohio

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

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HOLMES COUNTY ,OHIO

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

Function/Program	2007	2006	2005	2004	2003
General government:					
<i>Legislative and executive</i>					
Auditor	11.75	11.75	11.75	13.50	15.50
Commissioners	7.00	6.00	6.00	5.00	5.00
License Bureau	4.50	4.50	4.00	4.00	4.00
Recorder	3.50	3.50	3.50	3.50	3.50
Treasurer	4.50	3.00	3.00	4.00	5.00
Board of Elections	5.00	4.00	4.00	4.00	4.00
Prosecutor	7.00	4.50	6.00	4.00	4.00
Tax Map	4.00	3.00	3.00	3.00	3.00
GIS	1.00	1.00	1.00	1.00	-
Maintenance and Operations	5.50	5.00	5.00	5.00	5.00
Planning Commission	3.00	3.00	3.00	3.00	3.00
<i>Judicial</i>					
Clerk of Courts	7.00	6.00	6.00	7.00	6.00
Common Pleas Court	5.00	5.00	4.00	4.00	4.00
Probate Court	3.50	3.50	3.50	4.50	3.50
Juvenile Court	7.50	7.50	8.50	11.50	11.50
Adult Probation	4.50	4.00	4.00	4.00	4.00
Municipal Court	9.00	7.00	7.00	7.00	6.00
Law Library	0.50	0.50	0.50	0.50	0.50
Intensive Supervision	1.00	1.00	1.00	1.00	1.00
Public Safety:					
Sheriff	65.00	53.50	52.50	51.50	49.00
Emergency Management Agency	2.00	2.00	2.00	2.00	2.00
Coroner	1.50	1.50	1.50	1.50	1.50
Human Service:					
MR/DD	125.50	97.50	96.25	95.75	94.25
Veteran's Services	7.00	6.50	6.50	6.50	5.50
County Home	43.50	35.50	33.50	35.00	37.00
Job and Family Services	40.50	37.00	33.00	31.00	31.00
Child Support Enforcement	6.00	6.00	6.00	6.00	6.00
Victims Assistance	3.50	3.00	3.00	1.50	2.00
Jail Food Services	6.00	5.50	6.00	4.50	4.50
Health:					
Dog and Kennel	5.00	3.50	3.50	3.50	3.00
Public Works:					
Engineer	42.50	38.25	38.25	37.00	38.00
Transportation	62.50	35.50	27.00	18.00	19.00
Landfill and Sewer Operations:					
Landfill	1.00	1.00	1.00	1.00	1.00
Sewer	11.00	11.00	11.00	11.00	9.50
Agency:					
Park District	2.50	2.00	1.00	1.00	1.00
Soil and Water	5.50	5.50	4.50	4.00	4.00
Total	<u>525.25</u>	<u>428.50</u>	<u>411.25</u>	<u>400.25</u>	<u>396.75</u>

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

Source: Holmes County Auditor

Note: Information prior to 2000 was unavailable.

<u>2002</u>	<u>2001</u>	<u>2000</u>
10.50	14.50	10.50
6.00	5.00	7.00
4.00	4.00	4.00
3.00	3.00	3.00
4.00	4.00	3.00
4.00	4.00	5.00
5.00	6.00	6.00
3.00	3.00	3.00
-	-	-
6.00	6.00	7.00
3.00	3.00	3.00
6.00	6.00	6.00
4.00	4.00	4.00
3.50	3.50	3.50
10.50	10.50	10.50
4.00	3.00	4.00
6.00	6.00	6.00
0.50	0.50	0.50
1.00	1.00	1.00
51.00	48.00	44.50
2.00	2.00	2.00
1.50	2.00	2.00
92.00	94.25	92.25
5.50	5.00	5.50
33.50	32.50	31.50
30.00	30.50	32.50
6.00	6.00	6.00
2.00	2.00	1.50
4.50	4.50	4.50
3.00	3.00	3.00
36.50	35.50	34.50
9.50	6.50	3.50
1.00	1.00	1.00
8.00	10.00	9.00
1.00	1.00	1.50
4.50	4.00	3.00
<u>375.50</u>	<u>374.75</u>	<u>364.75</u>

HOLMES COUNTY, OHIO

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

Function/Program	2007	2006	2005	2004	2003
General Government - Legislative and Executive					
Auditor:					
Number of parcels on file	-	29,324	28,455	28,070	29,488
Commissioners:					
Number of resolutions presented	269	197	205	233	198
Number of proclamations presented	41	35	32	42	34
Number of public notices presented	35	41	46	44	49
Number of road dedications	1	2	3	1	1
Number of road closings	2	n/a	n/a	n/a	3
Number of brine permits	8	8	9	6	7
Data Processing:					
Number of accounts payable warrants	14,267	14,659	15,672	14,504	n/a
Number of payroll warrants	4,632	5,105	5,206	5,975	8,582
Sealer of Weights and Measures:					
Number of establishments services	99	102	101	103	98
License Bureau:					
Number of licenses/state IDs issued	7,551	8,130	7,746	6,963	7,482
Number of vehicles registered	34,799	34,159	33,919	34,279	32,550
Number of watercrafts registered	367	343	387	n/a	n/a
Recorder:					
Number of documents recorded	6,351	7,221	7,500	7,435	8,971
Number of financing documents (UCC) on real estate	51	n/a	12	39	109
Treasurer:					
Annual investment income (in dollars)	612,447	519,045	322,128	242,043	263,296
Number of tax bills mailed - real estate	49,644	26,804	48,462	49,053	48,504
Number of tax bills mailed - mobile home	2,749	21,532	2,562	2,669	2,735
Number of tax bills mailed - personal property	972	1,162	1,240	n/a	n/a
Board of Elections:					
Number of registered voters	17,382	18,206	17,845	17,870	16,509
Number of voters last general election	6,106	8,639	7,346	11,788	4,944
Percentage of registered voters that voted	35.13	47.45	41.17	65.97	29.95
Auto Title:					
Number of certificates of title issued	10,825	12,106	12,523	12,220	12,500
Number of leins issued	2,613	2,574	2,524	2,623	2,852
Number of memos issued	1,604	1,583	1,648	1,727	1,828
Number of duplicate certificates of title issued	595	612	686	554	571
Number of salvage certificates issued	164	166	180	171	158
Number of inspections performed	922	775	778	681	652
Number of watercraft certificates of title issued	371	355	348	309	267
Prosecutor:					
Number of felony criminal cases filed	83	104	92	124	90
Number of misdemeanor criminal cases filed	516	507	545	543	474
Number of tax foreclosure cases filed	35	11	26	62	23
General Government - Judicial					
Clerk of Courts:					
Number of certificates of judgments issued	162	141	158	268	263
Number of passport applications filed	312	353	299	251	215
Number of cases filed	382	412	388	398	375
Number of appeals filed	18	17	11	16	7
Number of real estate tax foreclosures	35	11	26	62	23
Number of tax liens executed	-	5	6	1	n/a
Number of state tax liens	166	133	152	56	91
Number of tax lien garnishments	7	1	10	2	3

Source: Individual County departments

n/a - not available

2002	2001	2000	1999	1998
29,078	28,790	28,285	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
11,511	11,304	11,571	n/a	n/a
98	98	95	91	99
7,408	6,705	5,980	5,549	6,213
31,087	31,425	31,516	30,917	30,000
n/a	n/a	n/a	n/a	n/a
8,867	8,183	6,878	7,234	7,311
216	549	766	785	712
379,605	733,594	699,081	537,203	494,177
47,379	46,981	46,707	n/a	n/a
2,765	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
16,633	16,607	16,766	15,759	15,987
6,597	6,141	9,937	8,137	4,665
39.66	36.98	59.27	51.63	29.18
12,778	13,258	13,679	8,179	5,754
3,039	3,684	3,853	3,602	2,989
1,992	2,427	2,278	1,997	1,637
486	531	542	258	167
174	284	127	118	66
717	635	613	461	230
281	285	352	252	208
56	72	51	65	75
466	457	426	435	550
13	n/a	7	11	5
101	110	111	110	96
279	n/a	n/a	n/a	n/a
398	403	367	377	349
16	29	23	16	19
13	n/a	7	11	5
1	n/a	n/a	1	4
87	59	101	41	94
3	2	4	2	7

HOLMES COUNTY, OHIO

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

Function/Program	2007	2006	2005	2004	2003
Common Pleas Court:					
Number of criminal cases filed	227	250	n/a	n/a	n/a
Number of civil cases filed	284	629	n/a	n/a	n/a
Number of domestic cases filed	339	516	n/a	n/a	n/a
Number of court rooms	2	2	2	2	1
Municipal Court:					
Number of traffic cases filed	3,375	2,627	2,485	2,848	2,468
Number of criminal cases filed	599	507	545	543	474
Number of civil cases filed	399	342	297	271	274
Number of small claims cases filed	577	642	496	541	488
Number of trusteeship cases filed	n/a	n/a	1	n/a	n/a
Probate Court:					
Number of decedent's estates filed	113	101	115	125	133
Number of guardianship cases filed	53	41	24	48	32
Number of other cases filed	45	62	50	37	41
Number of marriage license issued	312	330	297	310	319
Juvenile Court:					
Number of delinquency cases filed	140	138	131	151	155
Number of traffic cases filed	251	247	227	241	241
Number of dependency/neglect/abuse cases filed	39	42	63	28	31
Number of unruly cases filed	45	70	60	63	63
Number of permanent custody cases filed	n/a	n/a	n/a	n/a	n/a
Number of custody/visitation cases filed	70	78	61	38	66
Number of child support cases filed	47	60	71	77	64
Number of paternity cases filed	8	10	8	8	3
Number of other cases filed	1	2	2	1	n/a
Adult Probation:					
Number of clients serviced	294	260	327	311	297
Public Safety					
Coroner:					
Number of autopsies performed	10	8	7	2	8
Sheriff:					
Jail Operations					
Average daily jail census	32.5	47	32.5	29	n/a
Prisoners booked	946	899	907	827	n/a
Enforcement					
Number of calls for service - law enforcement	15,997	16,386	15,357	n/a	n/a
Number of calls for service - fire and ems	3,309	3,467	3,076	n/a	n/a
Number of traffic crashes investigated	729	730	964	n/a	n/a
Number of citations issued	1,450	1,364	1,276	n/a	n/a
Number of sheriff sales	78	44	33	n/a	n/a
Number of background checks/fingerprints	832	546	223	n/a	n/a
Number of sex offenders registered	50	21	18	n/a	n/a
Human Services					
MR/DD:					
Number of children enrolled	166	151	120	109	102
Number of adults enrolled	143	144	135	136	135
Number of facilities	7	7	7	7	7
Number of buses	13	12	12	12	12
Number of vans	4	4	4	4	4
Number of pickup trucks	2	2	2	2	2
Number of box trucks	1	n/a	n/a	n/a	n/a
Veteran's Services:					
Number of office contacts	5,322	4,390	5,504	5,353	4,985
Number of financial claims filed	117	103	87	128	142
Number of veterans receiving financial assistance	115	285	242	393	372
Number of veterans transported to VA facilities	357	438	388	309	306
Number of grocery orders received	102	72	64	89	79

Source: Individual County departments

n/a - not available

2002	2001	2000	1999	1998
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
1	1	1	1	1
2,717	2,396	3,121	2,448	2,162
466	457	426	435	550
264	211	188	171	151
598	593	597	471	443
1	2	n/a	n/a	n/a
114	128	n/a	n/a	n/a
18	27	n/a	n/a	n/a
44	29	n/a	n/a	n/a
305	294	304	374	325
133	132	85	152	152
298	257	262	301	334
26	5	5	12	13
57	41	36	65	35
n/a	1	1	3	4
56	36	27	27	22
69	57	32	63	59
8	10	11	8	4
1	1	2	69	34
309	n/a	n/a	n/a	n/a
10	8	10	1	3
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
104	109	111	119	103
135	139	146	151	155
7	7	7	5	5
12	12	12	11	11
4	4	4	4	4
2	2	2	2	2
n/a	n/a	n/a	n/a	n/a
5,896	6,684	5,223	5,014	5,121
144	125	119	97	95
451	402	380	296	292
299	311	264	205	220
98	90	82	63	55

HOLMES COUNTY, OHIO

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

Function/Program	2007	2006	2005	2004	2003
County Home:					
Number of patients	17,366	16,962	17,006	17,085	17,182
Per capita cost - per day (in dollars)	86.94	83.57	87.84	83.54	79.23
Per capita cost - per month (in dollars)	2,608.30	2,507.04	2,635.31	2,506.08	2,376.90
Actual amount collected for year (in dollars)	517,594.94	473,882.21	439,902.85	437,428.27	471,378.42
Job and Family Services:					
Number of clients - food stamps	1,919	2,064	2,145	2,018	1,922
Number of clients - Ohio Works First cash assistance	305	271	300	313	320
Number of clients - disability assistance	52	48	53	44	60
Number of clients - Medicaid	6,647	7,259	7,192	7,175	6,553
Number of clients - child care	240	212	101	110	260
Number of clients - WIA adults	20	18	36	54	n/a
Number of clients - WIA youth	18	23	27	27	n/a
Number of clients - PRC families	74	35	151	43	39
Number of clients - resource room	603	350	540	500	n/a
Number of clients - One-Stop	1,505	n/a	n/a	n/a	n/a
Children Services:					
Number of children helped through direct services	429	484	n/a	n/a	n/a
Number of children placed in adoptive homes	3	3	1	1	2
Number of child welfare investigations	148	157	125	120	129
Number of children in foster home care	35	29	32	29	22
Number of children served in paid placement	28	18	24	14	10
Child Support Enforcement:					
Number of active cases	1,151	1,219	1,160	1,116	1,107
Total annual collections (in dollars)	2,867,685.35	2,916,587.14	2,869,182.50	2,753,741.98	2,717,748.25
Victims Assistance:					
Number of clients served	427	338	289	443	371
Number of protection orders obtained	67	44	33	39	24
Number of compensations awarded	13	17	11	8	13
Number of counseling referrals	74	112	71	117	88
Number of court orders for restitution	119	97	78	89	111
Number of educational presentation	5	4	4	4	4
Jail Food Services:					
Number of inmate meals served	38,464	35,748	42,442	36,314	40,274
Number of non-inmate meals served	9,901	9,772	9,465	8,866	8,420
Health					
Dog and Kennel:					
Number of licenses sold	14,759	14,759	13,055	10,700	9,924
Number of dogs impounded	585	599	560	629	n/a
Number of dogs adopted	373	449	477	403	n/a
Number of returned to owner	115	141	102	129	n/a
Public Works					
Engineer:					
Miles of road serviced	40	35	40	30	n/a
Number of culverts serviced	151	111	157	130	n/a
Number of bridges serviced	30	30	33	30	n/a
Transportation:					
Number of clients serviced	118,704	82,259	55,249	47,881	15,000
Number of vehicles	53	40	35	28	17
Number of vehicle miles	1,028,916	n/a	n/a	n/a	n/a
Number of vehicles hours	30,581	n/a	n/a	n/a	n/a
Landfill and Sewer Operations					
Landfill:					
Remaining useful life (in years)	10.2	11.2	11.2	14.3	22.4
Closure costs at year-end (in millions of dollars)	5.47	5.32	5.17	4.93	4.93
Percentage of capacity used	73.40	62.59	55.10	44.00	36.60
Sewer:					
Number of sewer facilities	6	6	6	6	6
Number of liftstation	12	12	12	12	12
Linear feet of sewer mains	69,115	69,115	68,600	68,262	67,557

Source: Individual County departments

2002	2001	2000	1999	1998
15,314	14,631	18,484	18,822	17,440
81.98	89.77	63.13	56.31	57.97
2,459.40	2,693.10	1,893.90	1,689.30	1,738.00
366,753.40	447,656.09	411,079.22	n/a	n/a
1,638	1,320	n/a	n/a	n/a
282	268	n/a	n/a	n/a
65	43	n/a	n/a	n/a
5,781	4,557	n/a	n/a	n/a
238	103	106	n/a	n/a
37	32	n/a	n/a	n/a
21	n/a	n/a	n/a	n/a
46	n/a	109	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a
82	n/a	n/a	n/a	n/a
12	n/a	n/a	n/a	n/a
6	n/a	n/a	n/a	n/a
1,112	1,088	1,076	939	1,089
2,734,571.20	2,647,188.09	2,413,541.17	2,343,577.14	2,223,704.61
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
40,015	39,644	47,026	54,277	34,726
8,776	9,084	8,753	8,697	8,788
8,003	7,653	7,167	6,572	6,709
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
7,000	3,200	n/a	n/a	n/a
10	4	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
27.7	40.1	n/a	n/a	n/a
4.85	4.80	4.70	4.61	4.54
30.30	26.40	n/a	n/a	n/a
6	6	6	6	6
12	12	12	n/a	n/a
64,421	60,275	55,457	n/a	n/a

HOLMES COUNTY, OHIO

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

Function/Program	2007	2006	2005	2004	2003
Park District Agency					
Number of activity participants	1,293	1,028	1,096	1,112	1,165
Solid Waste					
Number of clients serviced	41,631	41,106	40,581	40,216	39,851
Planning Commission					
Number of clients serviced	1,087	1,040	1,040	1,040	1,040
Number of plots	487	3,000	500	500	500
Health District					
Number of home care clients	n/a	n/a	n/a	n/a	4
Number of clinic clients	1,152	1,411	1,490	1,459	1,020
Number of BCMH clients	290	166	281	285	360
Number of Help Me Grow clients	395	254	243	251	359
Number of hospice clients admitted	103	97	104	96	954
Number of WIC clients recertified	1,182	1,184	1,135	1,199	1,178
Number of births recorded	587	593	510	530	547
Number of deaths recorded	223	282	263	255	300
Number of sewage permits	124	256	166	240	207
Number of RV park licenses	13	13	13	13	13
Number of pool licenses	16	15	16	16	16
Number of manufactured home park licenses	13	10	14	7	11
Number of water permits	141	120	124	174	169
Number of solid waste licenses	1	2	1	1	1
Number of food licenses	269	409	394	401	404

Source: Individual County departments

n/a - not available

2002	2001	2000	1999	1998
1,054	967	936	n/a	n/a
39,485	39,120	38,755	38,540	38,103
1,040	1,040	1,040	1,040	1,040
500	500	500	500	500
11	8	146	365	617
907	1,050	645	815	887
350	317	287	255	235
106	n/a	n/a	n/a	n/a
88	88	58	47	36
1,191	1,006	954	867	966
586	524	570	666	639
277	303	256	285	282
215	244	210	247	247
13	13	14	13	12
16	14	15	15	15
11	11	11	11	11
182	219	194	245	202
1	1	1	1	1
406	404	337	342	342

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Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

HOLMES COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 19, 2008**