

**FINANCIAL CONDITION
KNOX COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

**FINANCIAL CONDITION
KNOX COUNTY**

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KNOX COUNTY

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

Federal Program	CFDA #	Pass-through Agency Awarding Number	Expenditures
United States Department of Transportation:			
Passed-through Ohio Department of Transportation: Highway Planning and Construction Grant	20.205	05N124	\$177,812
Direct Program: Airport Improvement Program	20.106	N/A	<u>1,998,161</u>
Total U.S. Department of Transportation			<u>2,175,973</u>
United States Department of Agriculture			
Direct Program: Community Facilities Loans and Grants	10.766	N/A	<u>719,737</u>
United States Department of Labor:			
WIA Cluster Passed-through Ohio Department of Job and Family Services:			
Workforce Investment Act - Adult			175,521
Workforce Investment Act - Adult Administrative			<u>10,125</u>
Workforce Investment Act - Adult Total	17.258	31-6400072	185,646
Workforce Investment Act - Youth			144,883
Workforce Investment Act - Youth Administrative			<u>4,531</u>
Workforce Investment Act - Youth Total	17.259	31-6400072	149,414
Workforce Investment Act - Dislocated Worker			119,980
Workforce Investment Act - Dislocated Worker Administrative			<u>11,296</u>
Workforce Investment Act - Dislocated Worker Total	17.260	31-6400072	131,276
Workforce Investment Act - Rapid Response	17.260	31-6400072	<u>14,695</u>
Total WIA Cluster			<u>481,031</u>
Workforce Investment Act - Veteran Employment Program	17.802	31-6400072	<u>6,000</u>
Total U. S. Department of Labor			<u>487,031</u>
United States Election Assistance Commission:			
Passed-through Ohio Secretary of State: Help America Vote Act Requirements Payments	90.401	E06-0200-042	510,777
United States Department of Health and Human Services:			
Passed-through Ohio Department of Mental Retardation and Development Disabilities:			
Social Services Block Grant - Title XX	93.667	31-6400072	44,023
State Children's Insurance Program - Title XXI	93.767	31-6400072	6,258
Medical Assistance Program	93.778	31-6400072	672,037
Title XIX	93.778	31-6400072	576,416
Targeted Case Management	93.778	31-6400072	453,474
Waiver Administration	93.778	31-6400072	<u>108,809</u>
Total Medical Assistance Program			1,810,736
Total U.S. Department of Health and Human Services			<u>1,861,017</u>

KNOX COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006
(Continued)

Federal Program	CFDA #	Pass-through Agency Awarding Number	Expenditures
United States Department of Homeland Security:			
Passed through Ohio Department of Public Safety:			
State Domestic Preparedness Equipment Support Program:			
State Domestic Preparedness Equipment Support Program		2005-GE-T5-0001	70,630
Citizen Corps		2004-GC-T4-0025	3,255
Total State Domestic Preparedness Equipment Support Program	97.004		<u>73,885</u>
Homeland Security Program (Cluster):			
Citizen Corps		2005-GC-T5-0001	3,242
State Homeland Security Program		2005-GE-T5-0001	53,465
State Homeland Security Program		2006-GE-T6-0051	44,110
Total Homeland Security Program:	97.067		<u>100,817</u>
Emergency Management Performance Grants	97.042	2006-EM-E6-0042	29,424
Total U.S. Department of Homeland Security			<u>204,126</u>
United States Department of Justice:			
Passed through the Ohio Attorney General:			
Crime Victims Assistance	16.575	2005SAGENE334T	27,405
Passed through the Ohio Department of Youth Services:			
Juvenile Accountability Incentive Block Grant	16.523	2004-JB-012-B015	12,454
Passed through the Ohio Department of Public Safety:			
Edward Byrne Memorial Formula Grant	16.579	2005-JG-C01-6298	66,730
Total U.S. Department of Justice			<u>106,589</u>
United States Department of Housing and Urban Development:			
Passed through Ohio Department of Development:			
HOME Investment Partnerships Program	14.239	BC-04-039-2	52,010
Community Development Block Grant / State's Program			
	14.228	BF-06-039-1	16,000
		BF-05-039-1	14,496
		BF-04-039-1	194,339
Total Community Development Block Grant / State's Program			<u>224,835</u>
Total U.S. Department of Housing and Urban Development			<u>276,845</u>
Total			<u>\$ 6,342,095</u>

The accompanying notes to this schedule are an integral part of this schedule.

KNOX COUNTY

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Expenditures Schedule (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2006, the gross amount of loans outstanding under this program was \$89,764.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D – HOMELAND SECURITY

The County reported the following federal programs for the Homeland Security Cluster on the Federal Awards Expenditure Schedule. Several programs for federal fiscal year 2005 were incorporated into the State Domestic Preparedness Equipment Support Program (CFDA #97.004) and Homeland Security Grant Program (97.067) in accordance with the guidance from the United States Department of Homeland Security.

CFDA #	Grant Year	Program	Amount
97.004		State Domestic Preparedness Equipment Support Program	\$ 70,630
97.053		Citizen Corps	3,255
97.004	2004	Total State Domestic Preparedness Equipment Support Program	\$ 73,885
97.053		Citizen Corps	3,242
97.073		State Homeland Security Program	53,465
97.067	2005	Homeland Security Grant Program	\$ 56,707
97.073		State Homeland Security Program	44,110
97.067	2006	Homeland Security Grant Program	\$ 44,110
		Total Homeland Security Grant Program	\$ 174,702

NOTE E – OUTSTANDING LOANS

In 2005, the Knox County Airport, a component unit of Knox County, secured a \$775,000 loan with the United States Department of Agriculture – Rural Development Program - CFDA# 10.766. At December 31, 2006, \$761,500 of the loan remained outstanding.

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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

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio, (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 22, 2007. 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 opinions 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 operating 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 reliability 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 control over financial reporting: 2006-001 through 2006-005.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2006-003, 2006-004, and 2006-005 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 22, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001 through 2006-003.

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 22, 2007.

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

We intend this report solely for the information and use of management, the Board of County Commissioners, 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 22, 2007



Mary Taylor, CPA

Auditor of State

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

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

Compliance

We have audited the compliance of Knox County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2006. In a separate letter to the County's management dated June 22, 2007, we reported a matter related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

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

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

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2006, and have issued our report thereon dated June 22, 2007. 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 management, the Board of County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 22, 2007

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA #10.766 – Community Facilities Loans and Grants CFDA #93.778 – Medical Assistance Program CFDA #90.401 – Help America Vote Requirements Payments CFDA #14.228 – Community Development Block Grant/States Program
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

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

FINDING NUMBER 2006-001

Non-Compliance Citation and Significant Deficiency

Prior Certification

Ohio Rev. Code Section 5705.41(D) states that no orders or contracts involving the expenditures of money are made unless there is attached thereto a certificate of the County Auditor certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

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

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

Amounts of less than \$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 Commissioners.

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 Commissioners 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.

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-001 (Continued)

Non-Compliance Citation and Significant Deficiency (Continued)

Prior Certification (Continued)

Sixty-two percent of the transactions tested were not properly certified by the County Auditor at the time the commitment was incurred and none of the exceptions provided for were used. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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, we recommend that the County Auditor certify that the 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.

We recommend the County Auditor 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. Also, it is recommended that the County Commissioners properly approve "Then and Now" certificates in excess of \$100 in a separate resolution within 30 days.

OFFICIAL'S RESPONSE:

Margaret Ann Ruhl, County Auditor - The "Then and Now" certificates over \$100 will be approved by the County Commissioners and added to the audit of all vouchers in the Auditor's Office by the Budgetary Deputy Auditor. Any purchases under \$100 will still be reviewed by the Auditor's Office by the Budgetary Deputy Auditor as to compliance.

FINDING NUMBER 2006-002

**Non-Compliance Citation and Significant Deficiency
Pass-Through Funds and Recording On-behalf payments**

Chapter 5705 of the Revised Code sets forth a scheme that provides for a uniform budget and appropriation process in order to assure that a governmental entity expends no more than it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriation fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded. R.C. 5705.42. Thus, a mechanism is still required to account for receipt and expenditure. That mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation. R.C. 5705.40. An original appropriation measure must be passed by the taxing authority, and any amendment of, or supplement to, that measure also requires legislative action. R.C. 5705.38.

KNOX COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)**

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

FINDING NUMBER 2006-002 (Continued)

Non-Compliance Citation and Significant Deficiency (Continued)

Pass-Through Funds and Recording On-behalf payments (Continued)

Furthermore, Auditor of State Bulletin 2000-08 suggests that when a local government enters into an on-behalf-of program agreement with another government, whereby the local government or residents are beneficiaries under the agreement, the cash value of the program received should be recorded as memorandum receipts and disbursements in the year the cash value of the on-behalf-of disbursements are made.

In 2006, the County Engineer and County Board of Elections participated in grants in which payments were made directly from the State of Ohio to contractors and vendors on the County Department's behalf. Although a fund was established by the County Auditor to account for these transactions in the accounting records, the actual on-behalf payments made by the State of \$168,635 and \$537,924, respectively, were not recorded in the accounting records of the county. The County's financial statements have been adjusted to reflect these transactions.

Even though the Departments or the County did not directly receive these funds from the State of Ohio, the County and its residents have benefited from the on-behalf payments by the State for the projects. Therefore, we recommend transactions of this nature be reflected on the County's financial statements as a receipt along with the corresponding expenditure. Failure to record these transactions, have resulted in an understatement of financial statement activity.

The County Auditor should request that all departments report on-behalf activity to the accounting department so that a memo journal entry can be made in a timely manner reflecting a receipt and corresponding expenditure. The requirement to report this activity to the accounting department should be disseminated to all departments in a policy memo.

OFFICIAL'S RESPONSE:

Margaret Ann Ruhl, County Auditor - A reminder memo will be sent to every department in regards to informing the Auditor's Office with documentation that any pass through payments are documented to the proper account/fund.

FINDING NUMBER 2006-003

Non-Compliance Citation - Significant Deficiency/Material Weakness

Sheriff's Department Accounting System

Ohio Rev. Code Section 311.11 states there shall be kept in the office of the sheriff a cashbook, to be furnished by the county, in which, on receipt by him of any money in his official capacity, the sheriff shall make an entry of the date, the amount thereof, the title of the cause, and the name and number of the writ or process on which such money was received. If such money is received on the sale of real estate, in partition or otherwise, where the sale has been for part cash and other evidences of indebtedness are taken for part of the purchase money, such sheriff shall make an entry on such book of the date, number, and amount of such evidences of indebtedness.

KNOX COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

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

FINDING NUMBER 2006-003 (Continued)

Non-Compliance Citation - Significant Deficiency/Material Weakness (Continued)

Sheriff's Department Accounting System (Continued)

On the first business day of each month the Sheriff is to pay all fees, costs, penalties, etc., into the County Treasury.

The Secretary of the Sheriff's Office did not maintain or post entries to the cashbook upon receipt or disbursement of funds. Instead of daily, the cashbook was completed on a monthly basis, and was not footed or cross-footed for accuracy of postings, which has resulted in errors in posting transactions, inability to assure all fees have been properly accounted for and the inability to accurately reconcile the Department's bank account. Also, at December 31, 2006 an unreconciled difference of \$2,681 between the bank and cashbook existed.

Additionally, fees were not deposited with the County Treasurer by the 1st business day of each month. At one point, fees due to the County were held for six months before payment was made to the County Treasurer. At December 31, 2006, fees collected in May 2006 totaling \$2,624 had yet to be deposited with the County Treasurer.

The cashbook must be completed on a daily basis to assure accuracy. Cashbook postings should be completed when receipts are received and when expenditures are made and the cashbook should be footed and cross-footed for accuracy of postings. The monthly cashbook balance should be reconciled to the bank statement with noted errors followed-up in a timely manner by someone independent of the collection and reconciliation process. All fees collected on-behalf of the County should be paid into the Treasurer of the County by the 1st business day of each month.

In addition, we recommend that the Sheriff review the status of operations recorded in the Department's system. The Sheriff should develop policies to assure the above requirements are met, including adequate segregation of duties, adequate training of staff for assigned functions, and assure someone is assigned to monitor the cashbook activity and sign off on monthly cash reconciliations to assure the policies are adhered to.

OFFICIAL'S RESPONSE:

Sheriff David Barber - This is our response to the post audit report:

- Cashbook is up-to-date. Daily postings of checks are already in process, along with all check receipts.
- Dual signatures will be required on all checks over \$1,000.
- All checks regarding sheriff sales will be deposited daily.
- Bank reconciliations will be signed by Sheriff Barber monthly/bank copy.
- Bank reconciliation proposed by auditors has been adopted and kept up-to-date, and also have the Sheriff's signature.
- Sheriff sale fees are up-to-date for monthly sales.
- We are aware of the \$2,624 difference and are continually checking to correct.
- Civil Secretary to cross check to assure account amounts deposited are correct.
- Creating spreadsheets to account for all Village contracts and transactions.
- Creating spreadsheets for Village payroll to be approved by Sheriff Barber.

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-004

Significant Deficiency/Material Weakness

Accounting System and Financial Statement Presentation - Airport

For accurate financial reporting, including management's ability to monitor operations, an internal control system and accounting system must be in place to allow management employees, in performing their assigned functions, including enabling an entity to identify, record, and report all transactions to prevent or detect misstatements on a timely basis.

The current accounting software utilized by the Airport is not compatible for governmental accounting reporting purposes, whereby, a running cash fund balance is required to be maintained to be able to reconcile the monthly bank balance to the cashbook balance. At December 31, 2006, an unreconciled balance of \$7,125 between the cashbook and bank existed.

Additionally, incomplete GAAP (General Accepted Accounting Principles) financial statements were presented for audit. The statements required numerous audit adjustments which are reflected in the financial statements.

We recommend the Airport's Board review the functionality of the accounting software currently utilized and identify the unreconciled differences on the monthly bank reconciliations. Consideration should be given to assure that the system is able to track a monthly cash fund balance so that a monthly reconciliation can be performed. Someone independent of the daily accounting function should be assigned to monitor the accuracy and completeness of the monthly cash reconciliations and sign off indicating their review.

The Board should also develop GAAP reporting policies that will assure that appropriate detailed documentation is obtained and summarized to compile year end GAAP statements including a review of the statements by someone independent of those completing daily accounting transactions. If necessary, consideration should be given for staff training opportunities on GAAP reporting and the possible need for outside expertise and assistance in compiling year end GAAP statements.

OFFICIAL'S RESPONSE:

Airport Manager – To address the above issues, the Airport Board has began using an excel spreadsheet to keep appropriate financial statements monthly. These spreadsheets are approved by the Board at their monthly meetings and are reconciled to the bank accounts monthly. The Board has also requested estimates from accounting firms to complete year end GAAP financial statements.

KNOX COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)**

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

FINDING NUMBER 2006-005

Significant Deficiency/Material Weakness

Interfund Activity

Interfund transfers are defined as a flow of assets (i.e. cash or goods) without equivalent flows of assets in return or without a requirement of repayment. By definition, interfund transfers should agree on the face of the financial statements.

Interfund reimbursements are defined as repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Interfund reimbursements should be treated as an adjustment to expenses or expenditures in the reimbursing fund as well as the reimbursed fund.

The County reported \$1,025,329 as receipts and expenditures rather than as a transfer in/out to properly report flows of cash without a requirement for repayment. Also, there were instances where transfers were recorded to account for exchange transactions whereby revenue and expenditures should have been recorded between the funds. Furthermore, transfers in/out did not balance on the face of the financial statements at year end. The above resulted in numerous reclassifications and adjustments to the year end financial statements.

By not reporting interfund transfers and interfund reimbursements properly, the County could over/understate revenues and expenditures.

We recommend all interfund activity be reviewed by the County Auditor prior to posting these transactions to ensure they are being reported properly. Interfund transfers should be balanced at the close of the year end, and they should be reviewed to ensure compliance with Ohio Revised Code Sections 5705.14-.16 requirements. Subsidies from one fund to another fund should be reported as transfers in/out, including transfers to the debt service fund from other funds to pay debt. Interfund reimbursements should be properly booked as adjustments to expenses or expenditures to the appropriate funds.

OFFICIAL'S RESPONSE:

Margaret Ann Ruhl, County Auditor – The Auditor's Office will add an additional review at the end of the year to make any corrections to transfers and balancing the transfers-in and transfers-out.

*County Seat
Mount Vernon, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006

*Margaret Ann Ruhl
County Auditor*

*Prepared by the
Knox County Auditor's Office*



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INTRODUCTORY SECTION



Knox County Auditor

Margaret Ann Ruhl
Knox County Auditor
Phone (740) 393-6750

117 East High Street, Suite 120
Mount Vernon, Ohio 43050
Fax (740) 393-6806



June 22, 2007

To the Citizens of Knox County
and to The Board of County Commissioners:
the Honorable Thomas C. McLarnan
the Honorable Allen D. Stockberger
the Honorable Robert S. Wise:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Knox County, Ohio, for the year ended December 31, 2006. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides full and complete disclosure of the financial position and operations of the County for the year ended December 31, 2006. The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of Knox County with comprehensive financial data in a format that will 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 Knox County and the results of its operations with other governmental entities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County, specifically the County Auditor's Office.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the County's organization chart, a list of elected officials in the County and the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP require the Management's Discussion and Analysis (MD&A), a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

***Letter of Transmittal
For the Year Ended December 31, 2006***

Knox County was created in 1808. The County has only those powers conferred upon it by Ohio statutes. A three-member board of County Commissioners is elected at large in even-numbered years for overlapping four-year terms. The Commissioners serve as the taxing authority, the contracting board, and the chief administrators of public services for the County. The Board of Commissioners creates and adopts the annual operating budget and makes the annual appropriation measure for expenditures of all County funds. In addition to the Board of Commissioners, the offices of County Auditor and County Treasurer are grouped under the category of general government and are of particular importance to the financial affairs of the County.

The County Auditor is elected to a four year term and has as one of her most important functions, the task of assessing real property for tax purposes. Under state law, a complete reappraisal must be conducted every six years as well as a triennial update every third year between reappraisals. After the County Treasurer collects taxes, the County Auditor is responsible for distributing certain taxes to various government units. The Auditor is also the chief fiscal officer of the County, and no County contract or obligation may be made without her certification that funds for that contract or obligation have been lawfully appropriated, are available for payment, or are in the process of collection. In addition, no account may be paid except by the Auditor's warrant drawn upon the County treasury. The Auditor is responsible for the County payroll and has other statutory accounting responsibilities. The Auditor is also in charge of the County's bond retirement fund. She is, by state law, secretary of the County Board of Revision and the County Budget Commission, and the administrator and supervisor of the County Data Processing Board. In 2006, the Auditor employed nine full-time and one part-time employee.

The County Treasurer is required by state law to collect certain locally assessed taxes. She is the distributing agent for expenditures authorized by the Board upon the Auditor's warrant. The Treasurer must make daily reports showing receipt, payments and balances to the County Auditor, and the books of account must always balance with those of the County Auditor. The Treasurer is responsible for investing all funds of the County. The Treasurer is elected to a four year term and in 2006 employed four full-time and three part-time employees. The Treasurer is a member of the County Board of Revision. In addition, the Treasurer, the Auditor and the Prosecuting Attorney form the County Budget Commission which plays an important part in the financial administration of County government as well as all local governments throughout the County.

The County Prosecuting Attorney is elected to a four year term and is responsible for all legal matters for the County and Township officials. He prosecutes all felonies, child support delinquencies and tax foreclosures. The office is also the contact for victim assistance. In 2006, the Prosecuting Attorney employed three attorneys and four full-time employees.

The County Recorder is elected to a four year term and is responsible for recording all deeds, mortgages, and liens. The Recorder oversees the Microfilm/Retention Office and is Secretary of the Records Retention Board and the Microfilm Board for the County. In addition to the Recorder, the office employs four other full-time workers. The recorder's office had a decrease of 581 documents compared with 2005 with a total of 14,819 documents recorded in 2006.

***Letter of Transmittal
For the Year Ended December 31, 2006***

The County Engineer is elected to a four year term and employs thirty-seven full-time employees who work in four major divisions under the Engineer. The Office Division is responsible for the tax map department and office operation. The Road Division is responsible for maintenance and upkeep of all the County roads, including resurfacing. The Bridge Division is responsible for the replacement and inspection of all bridges. The Garage Division is responsible for road signs on all County roads and maintenance on all vehicles.

The County Sheriff is elected to a four year term and is the head of six divisions. Twenty-one full-time employees make up the Patrol Division which provides protection for a total of 532 square miles of Knox County. The twelve full-time employees of the Communications Division handle Enhanced 9-1-1 dispatching and are responsible for all communications for Knox County. The Detective Division consists of five full-time employees who are responsible for investigating all major criminal cases in Knox County. The Jail Division consists of twenty-seven full-time employees who run a full service jail which houses both adult male and female prisoners charged with or convicted of felony and misdemeanor offenses. The Civil Process Division, which has three full-time employees, is responsible for serving all court processes. The last is the Community Relations Division, which has three full-time employees and is responsible for coordinating the county's neighborhood watch program, providing the Drug Abuse Resistance Education program in all city and county elementary schools as well as some junior high schools, operating the bicycle patrol on the Kokosing Gap Bike Trail and providing crime prevention and other public awareness programs.

The Clerk of Courts is elected to a four year term and is responsible for the Legal Division and the Title Division. The Legal Division's main function is to file, process and preserve papers for cases that will be handled by the Knox County Common Pleas Court and Fifth District Court of Appeals. The Legal Division has six full-time employees and one part-time employee and received 1,151 cases filed in 2006. The Title Division has three full-time employees and one part-time employee, with a main function to issue vehicle titles, which serve as a person's only proof of ownership. In 2006, 22,846 titles were issued, a 2.0% decrease compared with 2005.

The Knox County Common Pleas Judge is elected to a six year term and is responsible for hearing all domestic relations, criminal and civil cases.

The Knox County Common Pleas Probate and Juvenile Judge is elected to a six year term and is responsible for hearing all probate and juvenile cases. In 2006, the estate cases totaled 277, which was a decrease of 32 cases compared with 2005. Overall cases filed in Probate Court totaled 867 in 2006, which was a decrease of 51 compared with 2005. In 2006, the Juvenile Court cases filed totaled 1,349, which was an increase of 84 over 2005. This court also performs miscellaneous tasks such as assigning foreign judges and appointing the Humane Officer and members to the Board of Mental Retardation and Developmental Disabilities, and the Knox County Metropolitan Housing Authority. The Probate Court houses old birth, death and marriage records where many people work on genealogy research.

The Knox County Coroner is elected to a four year term and is responsible for certifications of deaths. He orders autopsies and investigates suspicious deaths.

***Letter of Transmittal
For the Year Ended December 31, 2006***

The Board of Elections is a statutory board, the same as the budget commission and the board of revision, with the exception that this board has no elected officials as board members. The four member board, made up of two Republicans and two Democrats, meets monthly to conduct board business. The Board of Elections oversees all primary, general and special elections. Registered voters in 2006 totaled 36,349, a four and one half percent increase over 2005.

The County provides its citizens with a wide range of services that include job and family services, health and community assistance related services, and other general and administrative support services. The County also operates enterprise funds which include water and wastewater systems and the landfill. For financial reporting purposes, the County's reporting entity includes the primary government, which is comprised of all funds and the agencies, boards and commissions that make up the County's legal entity, component units, which are legally separate organizations which are fiscally dependent on the County or for which the County is financially accountable, and any activities that need to be included to insure that the financial statements are complete and not misleading.

The County's reporting entity includes the financial activities of the County Board of Mental Retardation and Developmental Disabilities. The mission of this Board is to establish support focused on the individual which will provide opportunities for informed choices. These choices will provide an opportunity for individuals to plan their futures in where they live, work, learn and develop social relationships. Knox New Hope Industries, a not-for-profit corporation, is included as a component unit of the County, as is the Knox County Airport. Both have significant ties to the County. However, see Subsequent Event Note 25.

Excluded from the reporting entity because they are fiscally independent of the County are the Knox County Board of Education, the Knox County Humane Society, the Knox County Agricultural Society, the Knox County Extension Services, Knox County Park District, Knox County Regional Planning Commission and the Kno-Ho-Co Community Action Commission.

The County serves as fiscal agent but is not financially accountable for the Knox County General Health District, the Knox County Soil and Water Conservation District and the Knox County Local Emergency Planning Commission whose activities are included in this report as agency funds.

The Emergency Management Agency, the Alcohol and Drug Addiction and Mental Health Board, and the Eastern Ohio Housing Corporation are governmental joint ventures. The Joint Solid Waste District, the Mid Eastern Ohio Regional Council, and Licking-Muskingum Community Based Correctional Facility (CBCF) are jointly governed organizations. The Mid Ohio Transit Authority and the Public Library of Mount Vernon and Knox County are Related Organizations. These organizations are discussed in Notes 1, 11 and 12 of the notes to the Basic Financial Statements.

A complete discussion of the County's reporting entity is provided in Note 1 of the notes to the Basic Financial Statements.

***Letter of Transmittal
For the Year Ended December 31, 2006***

Economic Condition and Outlook

The loss of manufacturing jobs at local plants made headlines in 2006, but it was not all gloom and doom for local industry. Rolls-Royce Energy announced the closing of its machine shop, a move that would affect 100 jobs. This decision was made after an extensive analysis of plant operations. Rolls Royce produces turbine engines. Ward/Kraft announced its plan to move production operations back to Kansas, a move that affected 70 of 80 employees. Ward/Kraft manufactured labels, envelopes and forms. TRW Automotive announced its intention to move a number of its assembly and machining operations by next year (2007). This will affect about 160 employees. TRW manufactures brakes for Daimler-Chrysler and Ford products.

The good news was that Ariel Corporation expanded and added three large compressors with the addition to the current building. This will add 300 new employees when the expansion is completed. Replex, a factory that was located in the old Pittsburgh Plate Glass plant, had applied to the State of Ohio for an Industrial Improvement Grant for the purchase and renovation of an empty factory, known as the Jervis B. Webb Company. The grant was approved and planning started when a fire broke out at the Pittsburgh Plate Glass plant that destroyed most of the business. The owners worked very hard with Area Development to speed up the grant and move into the Jervis B. Webb Company building. This saved 29 employee jobs and added an additional 25 employees. Replex is the manufacturer of all types of mirrors.

As many communities are changing the unused railroads to bike or hike paths, Ohio Central Railroad systems expressed the desire to expand its business operations in Knox County and the need to repair the local line. The Coshocton-based company has a long-term lease on the 25.9 mile line between the City of Mount Vernon and the City of Newark, owned by CSX Transportation. The railroad currently has two customers, Weyerhaeuser and Central Ohio Farmers Co-op. The hope is to get more companies interested in the new rail-based industry from our community.

More than 32 miles of the Mohican River, some of which winds through Knox County, became Ohio's 13th state scenic river. The Kokosing River was designated a scenic river in 1997, which is a part of Knox County. Ohio Department of Transportation designated two highway segments in the county as Ohio's 22nd scenic byway. A portion of U. S. 62 (Millersburg Road) and Ohio 514 (Nashville Road) were designated as the Gateway to Amish Country Byway.

The Emergency Needs Coalition of Knox County reviewed a county plan to end homelessness by 2017. Several suggestions on solutions were discussed and the plan is to be worked on in 2007. Homelessness is a growing problem in Knox County.

Potential growth was discussed and acted on by two communities last year. Centerburg Village is looking at growth by a developer on the south/west of the village in the neighborhood of 200 new homes. Fredericktown Village saw the ground breaking for a new residential area east of the village for several homes. Fredericktown is also the location that the Ohio State Grange decided to build a state grange hall. The Grange is an organization that promotes agriculture and good government policy.

***Letter of Transmittal
For the Year Ended December 31, 2006***

Employee Relations

Knox County has four separate unions, whose labor contracts commence at various times. The County Engineer has twenty-seven members in the American Federation of State, County and Municipal Employees (A.F.S.C.M.E.) Local 2803. This contract commenced July 1, 2005, and it will expire on June 30, 2008.

The County Sheriff has forty-eight members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract was signed for a three-year period. This contract commenced on January 1, 2006 for a three year period and expires on December 31, 2008.

The Department of Job & Family Services has sixty-four members in the A.F.S.C.M.E. Local 657. This contract commenced on July 1, 2006 for a three-year period and expires on June 30, 2009.

The Emergency Management 9-1-1 has twenty-one members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract commenced January 1, 2007 for a three-year period. It expires on December 31, 2009. The remaining departments along with department heads are not represented by any union.

Major Initiatives

An open house for the public was held in August, 2006, for the new Animal Shelter. There were several delays while finishing this project. It is a state of the art building with many new features to help keep the animals safe from diseases and insure the public is adopting a good animal.

Progress is ongoing on the proposed bike path that was started in 2005 connecting the City of Mount Vernon with the Village of Centerburg. Trees are being removed or cleared and the old railroad is being prepared for the paving, which should be worked on in the summer of 2007. When completed, it will be a total of sixteen miles long known as the Heart of Ohio Trail. The trail within the Village of Centerburg is completed and is approximately three miles long. It connects the High School, which is on the western side of the Village, to the eastern side of the Village. This portion of the trail is called Trojan Trail and is named after the Centerburg school mascot.

Knox County gave up some of their responsibilities to the private sector, mainly for financial reasons. The County started the Recycling Center on the south side of the City of Mount Vernon several years ago. The grant that we received to keep it operating was being discontinued and the opportunity to bid it out and privatize the operation became a reality in the summer of 2006. Sims Brothers Incorporated of Marion won the bid and is now operating the program. The Ohio State University Extension is providing recycling programs in all the local schools. The other decision was made after several years of review by the Board of Mental Retardation and Developmental Disabilities, to change the New Hope Industries from being operated by the public to being operated by private sector. This is an adult day service operation working with Mental Retardation and Developmental Disabilities persons. See Subsequent Event Note 25.

***Letter of Transmittal
For the Year Ended December 31, 2006***

The Knox County Memorial Theater was in desperate need of renovations and repairs. The renovations and repairs were for new seats, carpeting, plaster repairs and updated restrooms. The decision was made to keep the look of the theater similar to what it was when it was built. The exceptions were additional lighting in the lobbies and updating the restrooms. Many organizations use the 1,000 plus seat theater for fundraisers and entertainment.

Since the Board of Commissioners purchased the Old Central High School, located behind the Knox County Courthouse, many improvements are needed to get this building in good condition. This building was being leased from the Mount Vernon City School District for use by the Knox County Juvenile Court. The court used it for various juvenile detention and classes for troubled youth. Some of the improvements include new windows, cement and brickwork on the outside.

The County, with the help from a federal grant, bought 200 new voting machines which are able to leave a paper trail, as mandated by the State of Ohio. Voters used them the first time in the May primary election with little problems.

The Auditor and Treasurer Offices have signed a contract to change the Real Estate, Personal Property, Manufactured Home and Computer Assisted Mass Appraisal (CAMA) systems in 2007. This is a \$500,000 investment which includes a new computer system and a new process on calculating real estate. The old system was twenty-three years old and ran on an old operating system. The new system will be more user friendly and provide more detailed information. There have been many changes in the real estate laws that necessitate making this change.

Cash Management

During the year ended December 31, 2006, the County's cash resources were divided into bank deposits and investments.

The County Treasurer, custodian of all County monies, is responsible for investing all idle funds and for directing the investment policies of the County.

The County pools its cash to maximize investment efficiency and to simplify accountability.

Among the County's investments, Knox County participates in the State Treasurer's investment pool of Ohio (STAR Ohio). This statewide investment pool was established in January 1986 for governmental entities in Ohio and is administrated by the Treasurer of State. The County Treasurer continued with a hired investment firm to help with county investments through July 2006. Interest is allocated to the General Fund and to other qualifying funds. Interest for all funds of the primary government during 2006 was \$1,335,406.

Risk Management

The County contracts with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. In addition, the County maintains replacement cost insurance on buildings and contents. The County also maintains Workers' Compensation for all employees by paying premiums to the State.

***Letter of Transmittal
For the Year Ended December 31, 2006***

Knox County manages the hospital/medical health benefits for its employees on a self-insured basis. A third party administrator processes and pays claims. A stop loss carrier covers claims in excess of \$125,000 per employee per year. The advantages of the self-insurance arrangement include Knox County holding the reserves and earning interest on them as well as savings on administrative costs. Control of the plan rests with the County.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of and for the year ended December 31, 2006, by our independent auditor, Mary Taylor, CPA, 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, which results are not included in this report.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Knox County, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, in which the contents conform to program standards. The (CAFR) must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Knox County has received a Certificate of Achievement for the last sixteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

***Letter of Transmittal
For the Year Ended December 31, 2006***

Acknowledgments

The publication of this Comprehensive Annual Financial Report for Knox County, Ohio, is the culmination of many hours of dedicated work in the research, analysis, and preparation of the financial statements and the related notes and narratives by the Fiscal Department of the Office of the Knox County Auditor.

The effort put forth so willingly by the various department heads and their staffs in providing the data needed for the report is greatly appreciated. Special recognition is given to Sharon Lamb, Deputy Auditor, for her many hours, perseverance, and expertise in managing this project to completion. We are very appreciative of this effort.

We thank Donald J. Schonhardt and Associates for their expert advice and technical assistance.

A final note of appreciation is extended to the auditing staff of the State Auditor's office for their cooperation and guidance for our seventeenth Comprehensive Annual Financial Report.

I ask for your continuing support of this project and in our efforts to promote good sound financial management for Knox County.

Sincerely,



Margaret Ann Ruhl,
Knox County Auditor

KNOX COUNTY, OHIO

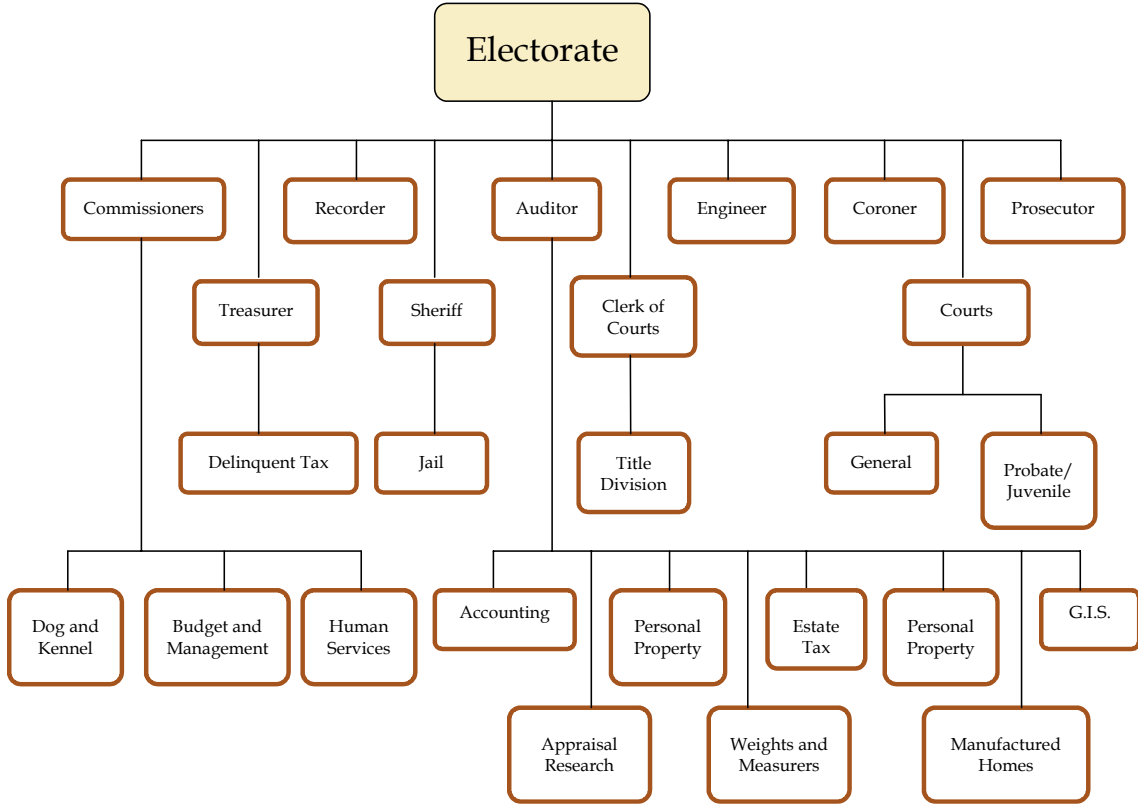
***List of Elected Officials
For the Year Ended December 31, 2006***

OFFICE HELD	NAME OF OFFICIAL
Commissioners	Allen D. Stockberger Robert S. Wise Thomas C. McLarnan
Auditor	Margaret Ann Ruhl
Clerk of Courts	Mary Jo Hawkins
Coroner	Jeffrey L. Bowers
Engineer	James L. Henry
Prosecutor	John C. Thatcher
Recorder	John L. Lybarger
Sheriff	David B. Barber
Treasurer	Sandra Mizer

JUDGES

Common Pleas Judge	Otho Eyster
Juvenile/Probate	James Ronk

**County Organizational Chart
For the Year Ended December 31, 2006**



Statutory Boards and Committees

County Budget Commission	Board of Elections
Auditor *	Data Board
Treasurer	Veterans Commission
Prosecutor	

* Serve as Secretary

Appointed Board

Mental Retardation/Development
Disabilities Board

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Knox County
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director

FINANCIAL SECTION





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof, and the respective budgetary comparisons for the General, Public Assistance, Motor Vehicle and Gasoline Tax, Children Services Board and Mental Retardation funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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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 have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Mary Taylor, CPA
Auditor of State

June 22, 2007

The discussion and analysis of Knox County's financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2006. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2006 are as follows:

- ❑ In total, net assets increased \$5,387,529. Net assets of governmental activities increased \$5,189,695, which represents a 7.8% increase from 2005. Net assets of business-type activities increased \$197,834 or 6.0% from 2005.
- ❑ General revenues accounted for \$18,208,552 in revenue or 44.2% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23,016,055 or 55.8% of total revenues of \$41,224,607.
- ❑ The County had \$34,615,051 in expenses related to governmental activities; only \$21,704,450 of these expenses were offset by program specific charges for services, grants or contributions. General revenues were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$13,229,318 in revenues and \$12,116,478 in expenditures. The general fund's fund balance increased \$190,911 to a balance of \$2,486,085. This increase is attributable to an increase in sales tax from a new retail establishment that opened in late 2005 and increase in investment earnings due to rising interest rates and an increase in funds available for investment.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the County:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the County's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the County's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net-assets (the difference between the County's assets and liabilities) is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional nonfinancial factors such as changes in the County's tax base and the condition of County capital assets also need to be evaluated.

The government-wide financial statements of the County are divided into two categories:

- ***Governmental Activities*** – Most of the County's programs and services are reported here including public safety, health, human services, and public works.
- ***Business-Type Activities*** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The County's sewer and landfill funds are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The accounting used for fiduciary funds is much like that of the proprietary funds. We exclude these activities from the County's other financial statements because the assets cannot be utilized by the County to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The following table provides a summary of the County's net assets for 2006 compared to 2005:

	Governmental Activities		Business-type Activities		Total	
	2006	Restated	2006	2005	2006	Restated
		2005				2005
Current and other assets	\$35,617,155	\$33,233,203	\$2,422,163	\$2,211,478	\$38,039,318	\$35,444,681
Capital assets, Net	57,319,499	55,021,667	2,868,394	2,934,780	60,187,893	57,956,447
Total assets	92,936,654	88,254,870	5,290,557	5,146,258	98,227,211	93,401,128
Long-term liabilities outstanding	11,437,619	11,998,664	1,765,256	1,831,520	13,202,875	13,830,184
Other liabilities	9,768,833	9,715,699	49,698	36,969	9,818,531	9,752,668
Total liabilities	21,206,452	21,714,363	1,814,954	1,868,489	23,021,406	23,582,852
Net assets						
Invested in capital assets, net of related debt	46,821,271	43,886,006	2,801,699	2,865,970	49,622,970	46,751,976
Restricted	19,237,519	17,680,936	0	0	19,237,519	17,680,936
Unrestricted	5,671,412	4,973,565	673,904	411,799	6,345,316	5,385,364
Total net assets	\$71,730,202	\$66,540,507	\$3,475,603	\$3,277,769	\$75,205,805	\$69,818,276

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KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2006 compared to 2005:

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,337,354	\$3,394,846	\$1,236,912	\$1,198,846	\$4,574,266	\$4,593,692
Operating Grants and Contributions	15,852,404	12,593,812	0	0	15,852,404	12,593,812
Capital Grants and Contributions	2,514,692	1,309,141	74,693	145,523	2,589,385	1,454,664
Total Program Revenues	21,704,450	17,297,799	1,311,605	1,344,369	23,016,055	18,642,168
General Revenues:						
Property Taxes	7,924,905	7,898,748	0	0	7,924,905	7,898,748
Sales Taxes	5,359,260	5,262,248	0	0	5,359,260	5,262,248
Intergovernmental Revenues, Unrestricted	2,027,126	1,849,740	0	0	2,027,126	1,849,740
Investment Earnings	1,241,601	734,177	93,805	63,456	1,335,406	797,633
Miscellaneous	1,561,855	2,161,733	0	0	1,561,855	2,161,733
Total General Revenues	18,114,747	17,906,646	93,805	63,456	18,208,552	17,970,102
Total Revenues	39,819,197	35,204,445	1,405,410	1,407,825	41,224,607	36,612,270
Program Expenses						
General Government						
Legislative and Executive	6,108,746	6,122,181	0	0	6,108,746	6,122,181
Judicial	2,212,826	2,039,252	0	0	2,212,826	2,039,252
Public Safety	6,052,403	6,043,282	0	0	6,052,403	6,043,282
Public Works	5,536,608	5,712,117	0	0	5,536,608	5,712,117
Health	450,181	395,115	0	0	450,181	395,115
Human Services	12,082,987	11,524,199	0	0	12,082,987	11,524,199
Intergovernmental	1,651,020	1,684,505	0	0	1,651,020	1,684,505
Interest and Fiscal Charges	520,280	553,327	0	0	520,280	553,327
Sewer	0	0	1,187,566	1,230,448	1,187,566	1,230,448
Landfill	0	0	34,461	0	34,461	0
Total Expenses	34,615,051	34,073,978	1,222,027	1,230,448	35,837,078	35,304,426
Change in Net Assets Before Transfers	5,204,146	1,130,467	183,383	177,377	5,387,529	1,307,844
Transfers	(14,451)	(60,645)	14,451	60,645	0	0
Total Change in Net Assets	5,189,695	1,069,822	197,834	238,022	5,387,529	1,307,844
Beginning Net Assets, Restated	66,540,507	65,470,685	3,277,769	3,039,747	69,818,276	68,510,432
Ending Net Assets	\$71,730,202	\$66,540,507	\$3,475,603	\$3,277,769	\$75,205,805	\$69,818,276

Governmental Activities

Net assets of the County's governmental activities increased by \$5,189,695. This was due mainly to increases in sales tax and interest earnings on investments. Operating grants and contributions, which represent the largest program revenue totaled \$15,852,404. The major recipients of these program specific grants were the County Engineer, Job and Family Services, Children's Services and the Mental Health Services Board. The increase in intergovernmental revenue was the result of an acceleration of monies received for public assistance.

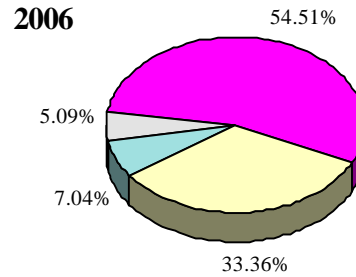
**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Tax revenue accounts for \$13,284,165 of the \$39,819,197 in total revenues for governmental activities. Sales tax accounted for \$5,359,260, or approximately 40.0% of total tax revenue.

The County's direct charges to users of governmental services totaled \$3,337,354. This amount represents 8.4% of total revenues for governmental activities and 15.4% of program specific revenues.

Revenue Sources	2006	Percent of Total
Intergovernmental Revenues	\$2,027,126	5.09%
Program Revenues	21,704,450	54.51%
General Tax Revenues	13,284,165	33.36%
General Other	2,803,456	7.04%
Total Revenue	\$39,819,197	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$197,834. This is attributable to increases in charges received for water and wastewater treatment. These programs had revenues of \$1,405,410 and expenses of \$1,222,027 for fiscal year 2006. Business type activities receive no support from tax revenues and remain self-supporting.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County's governmental funds reported a combined fund balance of \$18,023,091, which is higher than last year's total of \$17,102,838. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2006 and 2005.

	Fund Balance December 31, 2006	Fund Balance December 31, 2005	Increase (Decrease)
General	\$2,486,085	\$2,295,174	\$190,911
Public Assistance	2,085,414	2,418,564	(333,150)
Motor Vehicle and Gasoline Tax	956,242	507,012	449,230
Children Services Board	3,297,136	2,828,074	469,062
Mental Retardation	3,865,601	3,224,538	641,063
Other Governmental	5,332,613	5,829,476	(496,863)
Total	\$18,023,091	\$17,102,838	\$920,253

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

General Fund – The County’s General Fund balance increased from 2005 to 2006. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2006	2005	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$8,007,183	\$7,727,043	\$280,140
Intergovernmental Revenues	1,634,239	1,546,183	88,056
Charges for Services	1,808,078	1,816,603	(8,525)
Licenses and Permits	4,759	5,563	(804)
Investment Earnings	1,124,981	672,283	452,698
Fines and Forfeitures	67,344	63,330	4,014
All Other Revenue	582,734	884,361	(301,627)
Total	<u>\$13,229,318</u>	<u>\$12,715,366</u>	<u>\$513,952</u>

General Fund revenues in 2006 increased approximately 4.0% compared to revenues in fiscal year 2005. This increase is primarily the result of increases in taxes and investment earnings. Tax revenues increased as a result of sales tax. Investment earnings increased with more taxes available to invest and an increase in interest rates over the past year. All Other Revenue decreased because of the privatization of the Recycling Center which reduced the commissions the County receives.

	2006	2005	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
General Government:			
Legislative and Executive	\$5,313,686	\$5,284,525	\$29,161
Judicial	1,991,183	1,826,616	164,567
Public Safety	3,542,284	3,526,259	16,025
Public Works	269,344	192,429	76,915
Health	159,877	147,609	12,268
Human Services	528,801	569,613	(40,812)
Capital Outlay	310,854	341,959	(31,105)
Debt Service:			
Principal Retirement	444	1,701	(1,257)
Interest and Fiscal Charge	5	97	(92)
Total	<u>\$12,116,478</u>	<u>\$11,890,808</u>	<u>\$225,670</u>

Expenditures increased by \$225,670 or 1.9% over the prior year. This is mainly the result of increases in wages and benefits.

Public Assistance Fund – The County’s Public Assistance Fund balance decreased by 13.8%. This decrease in fund balance was the result of increases in expenditures.

Motor Vehicle and Gasoline Tax Fund – The County’s Motor Vehicle and Gasoline Tax Fund balance increased by 88.6%. This increase in fund balance was the result of increases in grants and a decrease in expenditures.

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Children Services Board Fund – The fund balance reported in the Children Services Board Fund increased by 16.6%. Revenues and expenditures have stayed consistent in this fund.

Mental Retardation Fund – The fund balance reported in the Mental Retardation Fund increased by 19.9%. This increase in fund balance was the result of additional state monies for programs and reimbursements from the Mid Eastern Ohio Regional Council (MEORC).

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2006 the County amended its General Fund budget several times, none significant. The \$1.3 million positive variance with the final budget was the result of a combination of factors including less than anticipated health insurance expenses, budgeting for emergency repairs that did not occur, and the postponement to 2007 of a storage building for the Sheriff's Department.

For the General Fund, budget basis revenue of \$12.83 million did not change significantly over the original budget estimates of \$12.76 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006 the County had \$60,187,893 net of accumulated depreciation invested in land, buildings, equipment, vehicles and infrastructure. Of this total, \$57,319,499 was related to governmental activities and \$2,868,394 to the business-type activities. The following table shows fiscal 2006 and 2005 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$3,511,122	\$3,511,122	\$0
Construction in Progress	0	731,030	(731,030)
Capital Assets not Being Depreciated	<u>3,511,122</u>	<u>4,242,152</u>	<u>(731,030)</u>
Buildings and Improvements	26,924,065	24,865,870	2,058,195
Vehicles	2,631,480	2,601,100	30,380
Machinery and Equipment	4,455,294	3,952,628	502,666
Computer Equipment	1,027,637	957,130	70,507
Infrastructure	44,087,800	43,267,762	820,038
Capital Assets Being Depreciated	<u>79,126,276</u>	<u>75,644,490</u>	<u>3,481,786</u>
Less: Accumulated Depreciation	<u>(25,317,899)</u>	<u>(24,864,975)</u>	<u>(452,924)</u>
Totals	<u>\$57,319,499</u>	<u>\$55,021,667</u>	<u>\$2,297,832</u>

KNOX COUNTY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2006****Unaudited**

The primary increases occurred in building and improvements, which consist of a new animal shelter and renovations of the theatre in the Memorial Building. The County received two hundred new voting machines which accounts for the majority of the increase in machinery and equipment. There were also increases infrastructure, which consists of the street and bridge projects the County is involved in.

	Business-Type Activities		Increase (Decrease)
	2006	2005	
Land	\$236,839	\$236,839	\$0
Capital Assets Not Being Depreciated	236,839	236,839	0
Buildings and Improvements	834,571	841,527	(6,956)
Vehicles	172,265	172,265	0
Machinery and Equipment	1,070,738	1,066,787	3,951
Computer Equipment	80,086	40,213	39,873
Sewer Lines	2,009,927	2,009,927	0
Capital Assets Being Depreciated	4,167,587	4,130,719	36,868
Less: Accumulated Depreciation	(1,536,032)	(1,432,778)	(103,254)
Totals	\$2,868,394	\$2,934,780	(\$66,386)

Business-type activities did not significantly change from 2005. Additional information on the County's capital assets can be found in Note 10.

Debt

At December 31, 2006, the County had \$10.4 million in general obligation bonds outstanding, \$550,000 due within one year. The following table summarizes the County's debt outstanding as of December 31, 2006 and 2005:

	2006	2005
Governmental Activities:		
General Obligation Bonds	\$10,380,000	\$10,910,000
OPWC Loan Payable	26,163	29,434
Installment Note Payable	0	60,000
Capital Leases Payable	92,065	136,227
Compensated Absences	939,391	863,003
Total Governmental Activities	11,437,619	11,998,664
Business-Type Activities:		
OWDA Loan Payable	66,695	68,810
Landfill Postclosure Care Liability	1,667,922	1,737,321
Compensated Absences	30,639	25,389
Total Business-Type Activities	1,765,256	1,831,520
Totals	\$13,202,875	\$13,830,184

Additional information on the County's long-term debt can be found in Note 18.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2007 budget is a very conservative one based on information received early in the year from the State legislature. State agencies are not increasing funding to local governments causing further hardships on these local agencies as they strive to at least maintain, if not enhance, services to their constituents.

Knox County's economy has been resilient in contrast to other counties in the State of Ohio. Sales tax revenue increased, even though modestly, in 2006, as it has for almost two decades, while many other state and national counties suffered losses. The key factor is the increasing County retail market and its diversified commercial and industrial economic base. Residential new construction continues to grow due, in part, to location and a healthy job market.

REQUESTS FOR INFORMATION

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 Margaret Ann Ruhl, Auditor of Knox County.



KNOX COUNTY, OHIO

**Statement of Net Assets
December 31, 2006**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport
Assets:					
Cash and Cash Equivalents	\$ 17,582,579	\$ 1,894,363	\$ 19,476,942	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	105,036	0	105,036	155,968	580,891
Cash and Cash Equivalents with Fiscal Agent	2,896,786	0	2,896,786	907	15,938
Investments	0	0	0	244,529	0
Receivables:					
Taxes	8,633,501	0	8,633,501	0	0
Accounts	89,708	329,073	418,781	45,897	7,855
Intergovernmental	5,278,610	0	5,278,610	0	33,671
Interest	209,527	0	209,527	0	0
Special Assessments	10,401	92,010	102,411	0	0
Loans	89,764	0	89,764	0	0
Due from Component Unit	38,492	0	38,492	0	0
Loans Receivable from Component Unit	200,000	0	200,000	0	0
Inventory of Supplies	399,769	100,624	500,393	978	9,829
Prepaid Items	82,982	6,093	89,075	0	0
Capital Assets not Being Depreciated	3,511,122	236,839	3,747,961	0	2,124,159
Capital Assets Being Depreciated, net	53,808,377	2,631,555	56,439,932	46,498	4,786,747
Total Assets	92,936,654	5,290,557	98,227,211	494,777	7,559,090
Liabilities:					
Accounts Payable	477,978	7,767	485,745	2,827	6,844
Accrued Wages and Benefits	565,439	16,436	581,875	11,783	0
Intergovernmental Payable	417,501	12,147	429,648	0	0
Contracts Payable	278,808	13,348	292,156	0	33,671
Claims Payable	432,895	0	432,895	0	0
Matured Bonds and Interest Payable	48,379	0	48,379	0	0
Due to Primary Government	0	0	0	0	38,492
Unearned Revenue	7,502,877	0	7,502,877	14,115	0
Accrued Interest Payable	44,956	0	44,956	0	0
Long Term Liabilities:					
Due Within One Year	1,249,315	105,068	1,354,383	0	31,200
Due in More Than One Year	10,188,304	1,660,188	11,848,492	0	1,041,900
Total Liabilities	21,206,452	1,814,954	23,021,406	28,725	1,152,107
Net Assets:					
Invested in Capital Assets, Net of Related Debt	46,821,271	2,801,699	49,622,970	46,498	5,871,477
Restricted For:					
Public Safety	2,173,104	0	2,173,104	0	0
Public Works	2,889,369	0	2,889,369	0	0
Human Services	9,557,682	0	9,557,682	0	0
Capital Projects	1,176,174	0	1,176,174	0	0
Debt Service	610,932	0	610,932	0	37,640
Other Purposes	2,830,258	0	2,830,258	18,972	0
Unrestricted	5,671,412	673,904	6,345,316	400,582	497,866
Total Net Assets	\$ 71,730,202	\$ 3,475,603	\$ 75,205,805	\$ 466,052	\$ 6,406,983

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Activities
For the Year Ended December 31, 2006**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 6,108,746	\$ 1,495,793	\$ 887,002	\$ 1,687,763
Judicial	2,212,826	618,580	0	0
Public Safety	6,052,403	668,569	405,838	0
Public Works	5,536,608	88,200	5,063,244	826,929
Health	450,181	148,866	37,352	0
Human Services	12,082,987	317,346	9,458,968	0
Intergovernmental	1,651,020	0	0	0
Interest and Fiscal Charges	520,280	0	0	0
Total Governmental Activities	34,615,051	3,337,354	15,852,404	2,514,692
Business-Type Activities:				
Sewer District Fund	1,187,566	1,236,912	0	74,693
Landfill Fund	34,461	0	0	0
Total Business-Type Activities	1,222,027	1,236,912	0	74,693
Total Primary Government	\$ 35,837,078	\$ 4,574,266	\$ 15,852,404	\$ 2,589,385
Component Units:				
Knox New Hope Industries	\$ 469,500	\$ 259,348	\$ 36,300	\$ 1,456
Knox County Airport	415,535	398,445	58,000	1,796,890
Total Component Units	\$ 885,035	\$ 657,793	\$ 94,300	\$ 1,798,346

General Revenues

Property Taxes Levied for:
 General Purposes
 Special Purposes
 Sales Tax
 Intergovernmental Revenues, Unrestricted
 Investment Earnings
 Net Increase in Fair Value of Investments
 Unrestricted Contributions from Knox County
 Miscellaneous
 Transfers
 Total General Revenues and Transfers

 Change in Net Assets

 Net Assets Beginning of Year, Restated
 Net Assets End of Year

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport
\$ (2,038,188)	\$ 0	\$ (2,038,188)		
(1,594,246)	0	(1,594,246)		
(4,977,996)	0	(4,977,996)		
441,765	0	441,765		
(263,963)	0	(263,963)		
(2,306,673)	0	(2,306,673)		
(1,651,020)	0	(1,651,020)		
(520,280)	0	(520,280)		
<u>(12,910,601)</u>	<u>0</u>	<u>(12,910,601)</u>		
0	124,039	124,039		
0	(34,461)	(34,461)		
<u>0</u>	<u>89,578</u>	<u>89,578</u>		
<u>(12,910,601)</u>	<u>89,578</u>	<u>(12,821,023)</u>		
			\$ (172,396)	\$ 0
			<u>0</u>	<u>1,837,800</u>
			<u>(172,396)</u>	<u>1,837,800</u>
4,022,446	0	4,022,446	0	0
3,902,459	0	3,902,459	0	0
5,359,260	0	5,359,260	0	0
2,027,126	0	2,027,126	0	0
1,241,601	93,805	1,335,406	12,017	13,881
0	0	0	20,648	0
0	0	0	210,996	0
1,561,855	0	1,561,855	760	12,299
(14,451)	14,451	0	0	0
<u>18,100,296</u>	<u>108,256</u>	<u>18,208,552</u>	<u>244,421</u>	<u>26,180</u>
5,189,695	197,834	5,387,529	72,025	1,863,980
<u>66,540,507</u>	<u>3,277,769</u>	<u>69,818,276</u>	<u>394,027</u>	<u>4,543,003</u>
<u>\$ 71,730,202</u>	<u>\$ 3,475,603</u>	<u>\$ 75,205,805</u>	<u>\$ 466,052</u>	<u>\$ 6,406,983</u>

KNOX COUNTY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2006**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Assets:			
Cash and Cash Equivalents	\$ 2,370,633	\$ 2,447,975	\$ 345,619
Cash and Cash Equivalents in Segregated Accounts	18,184	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Receivables:			
Taxes	4,117,776	0	0
Accounts	43,227	6,670	231
Intergovernmental	773,742	266,922	2,413,388
Interest	198,545	0	1,674
Special Assessments	0	0	0
Loans	0	0	0
Due from Other Funds	20,090	0	0
Interfund Receivable	0	0	0
Due from Component Unit	38,492	0	0
Loan Receivable from Component Unit	200,000	0	0
Inventory of Supplies	3,128	0	396,641
Prepaid Items	57,848	10,530	0
Total Assets	\$ 7,841,665	\$ 2,732,097	\$ 3,157,553
Liabilities:			
Accounts Payable	\$ 193,341	\$ 92,047	\$ 62,327
Accrued Wages and Benefits Payable	200,548	90,864	57,585
Intergovernmental Payable	159,139	63,689	40,054
Contracts Payable	73,785	127,011	0
Matured Bonds and Interest Payable	0	0	0
Due to Other Funds	127,476	6,150	0
Interfund Payable	0	0	0
Deferred Revenue	4,601,291	266,922	2,041,345
Total Liabilities	5,355,580	646,683	2,201,311
Fund Balances:			
Reserved for Encumbrances	255,518	654,459	94,349
Reserved for Supplies Inventory	3,128	0	396,641
Reserved for Debt Service	0	0	0
Reserved for Loans Receivable	0	0	0
Reserved for Due From Component Unit	38,492	0	0
Reserved for Loan Receivable from Component Unit	200,000	0	0
Undesignated, Unreserved in:			
General Fund	1,988,947	0	0
Special Revenue Funds	0	1,430,955	465,252
Capital Projects Funds	0	0	0
Total Fund Balances	2,486,085	2,085,414	956,242
Total Liabilities and Fund Balances	\$ 7,841,665	\$ 2,732,097	\$ 3,157,553

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 3,382,620	\$ 1,894,124	\$ 5,028,807	\$ 15,469,778
0	0	86,852	105,036
0	2,145,199	0	2,145,199
992,257	1,414,699	2,108,769	8,633,501
0	1,152	35,294	86,574
47,193	352,597	1,424,768	5,278,610
0	0	278	200,497
0	0	10,401	10,401
0	0	89,764	89,764
0	0	127,476	147,566
0	0	9,500	9,500
0	0	0	38,492
0	0	0	200,000
0	0	0	399,769
0	11,870	2,734	82,982
<u>\$ 4,422,070</u>	<u>\$ 5,819,641</u>	<u>\$ 8,924,643</u>	<u>\$ 32,897,669</u>
\$ 40,065	\$ 20,004	\$ 70,194	\$ 477,978
23,437	113,200	79,805	565,439
16,976	79,330	58,313	417,501
8,834	40,974	28,204	278,808
0	0	48,379	48,379
0	0	13,940	147,566
0	0	9,500	9,500
<u>1,035,622</u>	<u>1,700,532</u>	<u>3,283,695</u>	<u>12,929,407</u>
<u>1,124,934</u>	<u>1,954,040</u>	<u>3,592,030</u>	<u>14,874,578</u>
22,338	35,514	284,588	1,346,766
0	0	0	399,769
0	0	655,888	655,888
0	0	89,764	89,764
0	0	0	38,492
0	0	0	200,000
0	0	0	1,988,947
3,274,798	3,830,087	3,890,787	12,891,879
<u>0</u>	<u>0</u>	<u>411,586</u>	<u>411,586</u>
<u>3,297,136</u>	<u>3,865,601</u>	<u>5,332,613</u>	<u>18,023,091</u>
<u>\$ 4,422,070</u>	<u>\$ 5,819,641</u>	<u>\$ 8,924,643</u>	<u>\$ 32,897,669</u>

KNOX COUNTY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2006***

Total Governmental Fund Balances \$ 18,023,091

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. 57,319,499

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 5,426,530

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 2,443,657

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 Payable	(10,380,000)	
Ohio Public Works Commission Loan Payable	(26,163)	
Compensated Absences Payable	(939,391)	
Capital Lease Payable	(92,065)	
Accrued Interest Payable	(44,956)	(11,482,575)
		<hr/>

Net Assets of Governmental Activities \$ 71,730,202

See accompanying notes to the basic financial statements



KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Revenues:			
Taxes	\$ 8,007,183	\$ 0	\$ 0
Intergovernmental Revenues	1,634,239	4,769,024	4,978,232
Charges for Services	1,808,078	0	6,933
Licenses and Permits	4,759	0	0
Investment Earnings	1,124,981	0	19,581
Special Assessments	0	0	0
Fines and Forfeitures	67,344	0	11,418
All Other Revenue	582,734	197,479	41,413
Total Revenue	13,229,318	4,966,503	5,057,577
Expenditures:			
Current:			
General Government:			
Legislative and Executive	5,313,686	0	0
Judicial	1,991,183	0	0
Public Safety	3,542,284	0	0
Public Works	269,344	0	4,619,257
Health	159,877	0	0
Human Services	528,801	5,122,464	0
Intergovernmental	0	0	0
Capital Outlay	310,854	0	0
Debt Service:			
Principal Retirement	444	0	46,989
Interest and Fiscal Charges	5	0	5,755
Total Expenditures	12,116,478	5,122,464	4,672,001
Excess (Deficiency) of Revenues Over Expenditures	1,112,840	(155,961)	385,576
Other Financing Sources (Uses):			
Transfers In	320,685	200,000	0
Transfers Out	(1,242,505)	(377,189)	0
Total Other Financing Sources (Uses)	(921,820)	(177,189)	0
Net Change in Fund Balances	191,020	(333,150)	385,576
Fund Balances at Beginning of Year, Restated	2,295,174	2,418,564	507,012
Increase (Decrease) in Inventory Reserve	(109)	0	63,654
Fund Balances End of Year	\$ 2,486,085	\$ 2,085,414	\$ 956,242

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 942,211	\$ 1,358,958	\$ 2,901,642	\$ 13,209,994
980,541	3,196,999	4,384,803	19,943,838
146,565	0	1,138,547	3,100,123
0	0	115,335	120,094
0	0	6,410	1,150,972
0	0	29,938	29,938
0	0	6,948	85,710
5,899	108,154	637,307	1,572,986
<u>2,075,216</u>	<u>4,664,111</u>	<u>9,220,930</u>	<u>39,213,655</u>
0	0	1,063,979	6,377,665
0	0	264,660	2,255,843
0	0	2,156,754	5,699,038
0	0	205,716	5,094,317
0	0	225,173	385,050
1,606,154	4,014,548	987,682	12,259,649
0	0	1,651,020	1,651,020
0	0	3,147,078	3,457,932
0	0	590,000	637,433
0	0	518,789	524,549
<u>1,606,154</u>	<u>4,014,548</u>	<u>10,810,851</u>	<u>38,342,496</u>
469,062	649,563	(1,589,921)	871,159
0	126,571	1,348,023	1,995,279
0	(135,071)	(254,965)	(2,009,730)
<u>0</u>	<u>(8,500)</u>	<u>1,093,058</u>	<u>(14,451)</u>
469,062	641,063	(496,863)	856,708
2,828,074	3,224,538	5,829,476	17,102,838
0	0	0	63,545
<u>\$ 3,297,136</u>	<u>\$ 3,865,601</u>	<u>\$ 5,332,613</u>	<u>\$ 18,023,091</u>

KNOX COUNTY, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended December 31, 2006***

Net Change in Fund Balances - Total Governmental Funds \$ 856,708

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 is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	5,448,151	
Depreciation Expense	<u>(2,971,989)</u>	2,476,162

Governmental Funds only report the disposal of assets to the extent proceeds are received from sale. In the statement of activities, the loss is reported for each disposal. (178,330)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 514,913

The payment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net assets.

General Obligation Bond Principal Payment	530,000	
Ohio Public Works Commission Principal Payment	3,271	
Capital Lease Principal Payment	44,162	
Installment Loan Principal Payment	<u>60,000</u>	637,433

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 4,269

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(76,388)	
Change in Inventory	<u>63,545</u>	(12,843)

The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 891,383

Change in Net Assets of Governmental Activities \$ 5,189,695

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,652,400	\$ 7,721,748	\$ 8,016,353	\$ 294,605
Intergovernmental Revenues	1,542,911	1,542,911	1,639,249	96,338
Charges for Services	1,959,306	1,959,306	1,727,621	(231,685)
Licenses and Permits	5,850	5,850	4,759	(1,091)
Investment Earnings	641,600	641,600	1,115,382	473,782
Fines and Forfeitures	53,000	53,000	68,305	15,305
All Other Revenues	797,375	797,375	640,111	(157,264)
Total Revenues	<u>12,652,442</u>	<u>12,721,790</u>	<u>13,211,780</u>	<u>489,990</u>
Expenditures:				
General Government - Legislative and Executive	6,344,449	6,440,098	5,666,002	774,096
General Government - Judicial	1,904,631	2,035,133	1,982,439	52,694
Public Safety	3,584,342	3,621,561	3,569,435	52,126
Public Works	418,865	418,865	302,931	115,934
Health	159,329	169,202	160,187	9,015
Human Services	640,044	572,811	522,366	50,445
Conservation and Recreation	9,000	9,000	0	9,000
Capital Outlay	599,493	665,393	413,461	251,932
Total Expenditures	<u>13,660,153</u>	<u>13,932,063</u>	<u>12,616,821</u>	<u>1,315,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,007,711)	(1,210,273)	594,959	1,805,232
Other Financing Sources (Uses):				
Other Financing Uses	(264,458)	(209,285)	(119,856)	89,429
Transfers In	110,000	110,000	226,880	116,880
Transfers Out	(888,560)	(1,141,173)	(1,138,645)	2,528
Total Other Financing Sources (Uses)	<u>(1,043,018)</u>	<u>(1,240,458)</u>	<u>(1,031,621)</u>	<u>208,837</u>
Net Change in Fund Balance	(2,050,729)	(2,450,731)	(436,662)	2,014,069
Fund Balance at Beginning of Year	2,053,189	2,053,189	2,053,189	0
Prior Year Encumbrances	408,553	408,553	408,553	0
Fund Balance at End of Year	<u>\$ 411,013</u>	<u>\$ 11,011</u>	<u>\$ 2,025,080</u>	<u>\$ 2,014,069</u>

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Public Assistance Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,200,000	\$ 5,200,000	\$ 6,003,957	\$ 803,957
All Other Revenues	<u>750,000</u>	<u>750,000</u>	<u>196,931</u>	<u>(553,069)</u>
Total Revenues	<u>5,950,000</u>	<u>5,950,000</u>	<u>6,200,888</u>	<u>250,888</u>
Expenditures:				
Human Services	<u>7,139,228</u>	<u>7,139,228</u>	<u>5,868,969</u>	<u>1,270,259</u>
Total Expenditures	<u>7,139,228</u>	<u>7,139,228</u>	<u>5,868,969</u>	<u>1,270,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,189,228)	(1,189,228)	331,919	1,521,147
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(377,189)</u>	<u>72,811</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(177,189)</u>	<u>72,811</u>
Net Change in Fund Balance	(1,439,228)	(1,439,228)	154,730	1,593,958
Fund Balance at Beginning of Year	835,023	835,023	835,023	0
Prior Year Encumbrances	<u>604,230</u>	<u>604,230</u>	<u>604,230</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 1,593,983</u>	<u>\$ 1,593,958</u>

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 5,250,000	\$ 5,250,000	\$ 4,972,541	\$ (277,459)
Charges for Services	18,000	18,000	6,999	(11,001)
Investment Earnings	10,000	10,000	19,041	9,041
Fines and Forfeitures	11,000	11,000	11,418	418
All Other Revenues	61,000	61,000	41,226	(19,774)
Total Revenues	<u>5,350,000</u>	<u>5,350,000</u>	<u>5,051,225</u>	<u>(298,775)</u>
Expenditures:				
Public Works	<u>5,481,668</u>	<u>5,513,865</u>	<u>5,009,268</u>	<u>504,597</u>
Total Expenditures	<u>5,481,668</u>	<u>5,513,865</u>	<u>5,009,268</u>	<u>504,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,668)	(163,865)	41,957	205,822
Fund Balance at Beginning of Year	32,198	32,198	32,198	0
Prior Year Encumbrances	<u>131,668</u>	<u>131,668</u>	<u>131,668</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,198</u>	<u>\$ 1</u>	<u>\$ 205,823</u>	<u>\$ 205,822</u>

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Children Services Board Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 928,800	\$ 928,800	\$ 942,211	\$ 13,411
Intergovernmental Revenues	926,000	624,000	980,541	356,541
Charges for Services	180,100	180,100	146,264	(33,836)
All Other Revenues	5,500	5,500	6,279	779
Total Revenues	<u>2,040,400</u>	<u>1,738,400</u>	<u>2,075,295</u>	<u>336,895</u>
Expenditures:				
Human Services	<u>2,459,559</u>	<u>2,457,559</u>	<u>1,659,920</u>	<u>797,639</u>
Total Expenditures	<u>2,459,559</u>	<u>2,457,559</u>	<u>1,659,920</u>	<u>797,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(419,159)	(719,159)	415,375	1,134,534
Other Financing Sources (Uses):				
Advances Out	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(719,159)	(719,159)	415,375	1,134,534
Fund Balance at Beginning of Year	2,912,089	2,912,089	2,912,089	0
Prior Year Encumbrances	<u>21,059</u>	<u>21,059</u>	<u>21,059</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,213,989</u>	<u>\$ 2,213,989</u>	<u>\$ 3,348,523</u>	<u>\$ 1,134,534</u>

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund – Mental Retardation Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,329,960	\$ 1,329,960	\$ 1,358,958	\$ 28,998
Intergovernmental Revenues	3,816,439	3,816,439	3,218,772	(597,667)
All Other Revenues	1,084,654	1,084,654	109,043	(975,611)
Total Revenues	<u>6,231,053</u>	<u>6,231,053</u>	<u>4,686,773</u>	<u>(1,544,280)</u>
Expenditures:				
Human Services	<u>7,385,745</u>	<u>7,250,674</u>	<u>4,057,115</u>	<u>3,193,559</u>
Total Expenditures	<u>7,385,745</u>	<u>7,250,674</u>	<u>4,057,115</u>	<u>3,193,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,154,692)	(1,019,621)	629,658	1,649,279
Other Financing Sources (Uses):				
Transfers In	0	0	126,571	126,571
Transfers Out	<u>0</u>	<u>(135,071)</u>	<u>(135,071)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(135,071)</u>	<u>(8,500)</u>	<u>126,571</u>
Net Change in Fund Balance	(1,154,692)	(1,154,692)	621,158	1,775,850
Fund Balance at Beginning of Year	1,102,865	1,102,865	1,102,865	0
Prior Year Encumbrances	<u>124,633</u>	<u>124,633</u>	<u>124,633</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 72,806</u>	<u>\$ 72,806</u>	<u>\$ 1,848,656</u>	<u>\$ 1,775,850</u>

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2006**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer District	Landfill	Total	Activities- Internal Service Fund
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 1,818,423	\$ 75,940	\$ 1,894,363	\$ 2,112,801
Cash and Cash Equivalents with Fiscal Agent	0	0	0	751,587
Receivables:				
Accounts	329,073	0	329,073	3,134
Interest	0	0	0	9,030
Special Assessments	92,010	0	92,010	0
Inventory of Supplies	100,624	0	100,624	0
Prepaid Items	6,093	0	6,093	0
Total Current Assets	2,346,223	75,940	2,422,163	2,876,552
Noncurrent Assets:				
Capital Assets not Being Depreciated	93,675	143,164	236,839	0
Capital Assets being Depreciated, net	2,631,555	0	2,631,555	0
Total Noncurrent Assets	2,725,230	143,164	2,868,394	0
Total Assets	5,071,453	219,104	5,290,557	2,876,552
Liabilities:				
Current Liabilities:				
Accounts Payable	7,767	0	7,767	0
Accrued Wages and Benefits	16,436	0	16,436	0
Intergovernmental Payable	12,147	0	12,147	0
Contracts Payable	13,348	0	13,348	0
Claims Payable	0	0	0	432,895
Compensated Absences - Current	15,542	0	15,542	0
OWDA Loans Payable - Current	2,233	0	2,233	0
Landfill Postclosure Care Liability - Current	0	87,293	87,293	0
Total Current Liabilities	67,473	87,293	154,766	432,895
Noncurrent Liabilities				
Compensated Absences Payable	15,097	0	15,097	0
OWDA Loans Payable	64,462	0	64,462	0
Landfill Postclosure Care Liability	0	1,580,629	1,580,629	0
Total Noncurrent Liabilities	79,559	1,580,629	1,660,188	0
Total Liabilities	147,032	1,667,922	1,814,954	432,895
Net Assets:				
Invested in Capital Assets, net of related debt	2,658,535	143,164	2,801,699	0
Unrestricted	2,265,886	(1,591,982)	673,904	2,443,657
Total Net Assets	\$ 4,924,421	\$ (1,448,818)	\$ 3,475,603	\$ 2,443,657

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer District	Landfill	Total	
Operating Revenues:				
Charges for Services	\$ 1,137,721	\$ 0	\$ 1,137,721	\$ 3,820,342
Tap In Fees	89,818	0	89,818	0
Other Operating Revenue	9,373	0	9,373	0
Total Operating Revenues	1,236,912	0	1,236,912	3,820,342
Operating Expenses:				
Personal Services	585,870	0	585,870	0
Contractual Services	345,922	34,461	380,383	283,333
Materials and Supplies	110,051	0	110,051	0
Depreciation	111,958	0	111,958	0
Other Operating Expenses	29,968	0	29,968	0
Health Insurance Claims	0	0	0	2,799,915
Total Operating Expenses	1,183,769	34,461	1,218,230	3,083,248
Operating Income (Loss)	53,143	(34,461)	18,682	737,094
Nonoperating Revenue (Expenses):				
Investment Earnings	93,805	0	93,805	90,629
Interest Expense	(3,797)	0	(3,797)	0
Other Nonoperating Revenue	0	0	0	64,833
Other Nonoperating Expense	0	0	0	(1,173)
Total Nonoperating Revenues (Expenses)	90,008	0	90,008	154,289
Income (Loss) Before Contributions and Transfers	143,151	(34,461)	108,690	891,383
Capital Contributions - Tap in Fees	74,693	0	74,693	0
Transfers In	4,396	103,860	108,256	0
Transfers Out	(93,805)	0	(93,805)	0
Change in Net Assets	128,435	69,399	197,834	891,383
Net Assets (Deficit) Beginning of Year	4,795,986	(1,518,217)	3,277,769	1,552,274
Net Assets (Deficit) End of Year	<u>\$ 4,924,421</u>	<u>\$ (1,448,818)</u>	<u>\$ 3,475,603</u>	<u>\$ 2,443,657</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006**

	<u>Business Type Activities - Enterprise Funds</u>			Governmental Activities -
	Sewer District	Landfill	Totals	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,183,849	\$0	\$1,183,849	\$0
Cash Received from Interfund Services	0	0	0	3,851,588
Cash Payments to Suppliers for Goods and Services	(506,355)	(103,860)	(610,215)	(284,506)
Cash Payments to Employees for Service	(579,816)	0	(579,816)	0
Cash Payments for Claims	0	0	0	(2,697,079)
Other Operating Receipts	8,083	0	8,083	61,779
Net Cash Provided (Used) for Operating Activities	<u>105,761</u>	<u>(103,860)</u>	<u>1,901</u>	<u>931,782</u>
<u>Cash Flows from Noncapital and Related Financing Activities:</u>				
Transfers In	4,396	103,860	108,256	0
Transfers Out	(93,805)	0	(93,805)	0
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(89,409)</u>	<u>103,860</u>	<u>14,451</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Receipt of Special Assessments	9,301	0	9,301	0
Contributed Capital from Tap-In Fees	74,693	0	74,693	0
Acquisition of Capital Assets	(45,572)	0	(45,572)	0
Principal Paid on Ohio Water Development Loan Payable	(2,115)	0	(2,115)	0
Interest Paid on Debt	(3,797)	0	(3,797)	0
Net Cash Provided for Capital and Related Financing Activities	<u>32,510</u>	<u>0</u>	<u>32,510</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	93,805	0	93,805	87,458
Net Cash Provided by Investing Activities	<u>93,805</u>	<u>0</u>	<u>93,805</u>	<u>87,458</u>
Net Increase in Cash and Cash Equivalents	142,667	0	142,667	1,019,240
Cash and Cash Equivalents at Beginning of Year	1,675,756	75,940	1,751,696	1,845,148
Cash and Cash Equivalents at End of Year	<u>\$1,818,423</u>	<u>\$75,940</u>	<u>\$1,894,363</u>	<u>\$2,864,388</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per Statement of Net Assets:</u>				
Cash and Cash Equivalents	\$1,818,423	\$75,940	\$1,894,363	\$2,112,801
Cash and Cash Equivalents with Fiscal Agent	0	0	0	751,587
Cash and Cash Equivalents at End of Year	<u>\$1,818,423</u>	<u>\$75,940</u>	<u>\$1,894,363</u>	<u>\$2,864,388</u>

(Continued)

KNOX COUNTY, OHIO

	<u>Business Type Activities - Enterprise Funds</u>			Governmental
	<u>Sewer District</u>	<u>Landfill</u>	<u>Totals</u>	<u>Activities - Internal Service Fund</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:</u>				
Operating Income (Loss)	\$53,143	(\$34,461)	\$18,682	\$737,094
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:				
Depreciation Expense	111,958	0	111,958	0
Miscellaneous Nonoperating Revenue	0	0	0	61,779
Miscellaneous Nonoperating Expense	0	0	0	(1,173)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(44,980)	0	(44,980)	31,246
Increase in Inventory	(32,116)	0	(32,116)	0
Increase in Prepaid Items	(223)	0	(223)	0
Increase in Accounts Payable	7,347	0	7,347	0
Increase in Contracts Payable	4,578	0	4,578	0
Increase in Accrued Wages and Benefits	534	0	534	0
Decrease in Closure and Postclosure Care Payable	0	(69,399)	(69,399)	0
Increase in Intergovernmental Payable	270	0	270	0
Increase in Compensated Absences	5,250	0	5,250	0
Increase in Claims Payable	0	0	0	102,836
Total Adjustments	52,618	(69,399)	(16,781)	194,688
Net Cash Provided (Used) for Operating Activities	<u>\$105,761</u>	<u>(\$103,860)</u>	<u>\$1,901</u>	<u>\$931,782</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2006**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 3,841,847
Cash and Cash Equivalents in Segregated Accounts	349,982
Receivables:	
Taxes	52,771,942
Accounts	7,075
Intergovernmental	<u>3,290,249</u>
Total Assets	<u><u>\$ 60,261,095</u></u>
Liabilities:	
Intergovernmental Payable	\$ 58,735,912
Undistributed Monies	347,222
Due to Others	<u>1,177,961</u>
Total Liabilities	<u><u>\$ 60,261,095</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - REPORTING ENTITY

Knox County, Ohio (The County) was created in 1808. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the county auditor, treasurer, recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, a common pleas court judge, and a probate/juvenile court judge. The county commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Knox County this includes the children services board, the board of mental retardation and developmental disabilities, the human services department, the emergency management agency and all departments and activities that are operated directly by the elected County officials.

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

The County participates in the **County Risk Sharing Authority (CORSA)**, a public entity risk sharing pool among thirty-three counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/self-insurance Program, a group primary and excess insurance/self-insurance and risk management program.

The County participates in the **County Commissioners Association of Workers' Compensation Group Rating Plan** established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

Joint Ventures:

The County participates in three joint ventures with other Ohio local governments.

Emergency Management Agency

The Emergency Management Agency is a joint venture among the County, twenty-two townships located within the County, six villages and one corporation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - REPORTING ENTITY (Continued)

Community Mental Health and Recovery Board of Licking and Knox Counties (CMHRB)

The CMHRD Board is a joint venture between Knox and Licking counties. The headquarters for the CMHRD is in Licking County.

Eastern Ohio Housing Corporation

The Knox County Department of Mental Retardation and Developmental Disabilities contracts with the Eastern Ohio Housing Authority to develop dwellings and provide affordable housing for persons with disabilities.

Jointly Governed Organizations:

The County participates in three jointly governed organizations with other Ohio local governments.

Joint Solid Waste District

The Joint Solid Waste District is a jointly governed organization among Delaware, Knox, Marion, and Morrow Counties. The purpose of the district is to make disposal of waste in the four county area more comprehensive in terms of recycling and land filling.

Mid Eastern Ohio Regional Council (MEORC)

MEORC is a jointly governed organization among fourteen county departments of mental retardation and developmental disabilities in Ohio.

Licking-Muskingum Community Based Correctional Facility (CBCF)

CBCF is a jointly governed organization among four counties. The purpose is to offer treatment, education, work and other rehabilitation services to convicted felons.

Further information regarding these joint ventures and jointly governed organizations is presented in Note 11 and Note 12.

Related Organizations:

Mid Ohio Transit Authority (M.O.T.A.)

One Commissioner is appointed to the total of a four person governing board of M.O.T.A. The Commissioners cannot influence M.O.T.A.'s operation nor does M.O.T.A. represent a potential financial benefit for or burden of the County. M.O.T.A. did receive funding in the amount of \$30,000 for 2006.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - REPORTING ENTITY (Continued)

Public Library of Mount Vernon and Knox County

The Commissioners and Judge of Knox County Common Pleas appoints the governing board of the Library, however, the Commissioners and Judge cannot influence the Library's operation nor does the Library represent a potential financial benefit for or burden on the County. The Commissioners serve in a ministerial capacity as a 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 Commissioners must place the levy on the ballot. The Library determines its own budget. The library did not receive any funding from the County during 2006.

Discretely Presented Component Units:

The component unit columns in the financial statements identify the financial data of the County's component units, Knox New Hope Industries, Inc. and Knox County Airport. They are reported separately to emphasize that they are legally separate from the County. Knox New Hope Industries, Inc. and Knox County Airport do not issue separate financial statements.

Knox New Hope Industries, Incorporated (the Workshop) is a non-profit workshop that consists of a Board of Trustees with expertise in industry, labor, education, civil administration, mental retardation and/or developmental disabilities. The Workshop provides employment, vocational training, occupational counseling and evaluation. Knox County Board of Mental Retardation and Developmental Disabilities provides for certain administrative costs of the Workshop with no charge to them. These costs are approved by the County Commissioners as part of the County Board of Mental Retardation and Developmental Disabilities' budget. 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 Knox County, the Workshop is reflected as a component unit of Knox County because it would be misleading to exclude them. See Subsequent Event Note 25.

Knox County Airport is situated on County owned land, and it is operated by a County appointed authority. The County has issued loans on behalf of the airport for the construction of hangar bays and storage buildings as well as the purchase of land. The Airport is reflected as a component unit of the County.

Agencies, Boards and Commissions:

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent but is not financially accountable. Accordingly the activity of the following districts and agencies is presented as agency funds within the County's financial statements:

Knox County General Health District is governed by a five member board of health which oversees the operation of the health district and is elected by a regional advisory council. The board adopts its own budget, hires and fires its own staff, and operates autonomously from the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - REPORTING ENTITY (Continued)

Knox County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are appointed by elected officials and authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The **Regional Planning Commission** is statutorily created as a separate and distinct political subdivision of the State. The Commission consists of representatives from the county, each township, and each municipality. The planning members adopt their own budget, authorize Commission expenditures, hire and fire staff, and do not rely on the County to finance deficits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The County also applies pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, to its governmental activities and its proprietary funds unless they contradict or conflict with GASB pronouncements. The County has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds. The information generally relates to the primary government. Information related to the Workshop and the Airport is specifically identified.

A. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The following fund types are used by the County.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the County's major governmental funds:

General Fund

The General Fund is used to account for all financial resources of the County 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Public Assistance Fund

This fund is used to account for various federal and state grants as well as transfers from the general fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance, and for certain public social services.

Motor Vehicle and Gasoline Tax Fund

This fund is used to account for revenues derived from the sale of motor vehicle license, gasoline taxes and interests. Expenditures are restricted by state law to county road and bridge construction, maintenance and repairs. The County engineer currently expends the majority of the revenues for repairs.

Children Services Board Fund

This fund accounts for money from a tax levy, federal and state grants, support collection and social security. Major expenditures are for a boys' group home, emergency shelters, medical treatment, school supplies, counseling and parental training.

Mental Retardation Fund

This fund accounts for money received from a County-wide property tax levy and several federal and state grants and subsidies. This fund accounts for the operations of a school and the costs of administering a workshop for the developmentally disabled.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital facilities.

Proprietary Fund Types:

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

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 following are the County's major enterprise funds:

Sewer District Fund – The Fund that accounts for provision of sewer and water services.

Landfill Fund – The Fund that accounts for the liability associated with landfill postclosure costs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Internal Service Fund

The internal service fund is used to account for the County's self-insurance activity. Employee medical benefits are provided by the self-insurance fund to other County departments on a cost reimbursement basis.

Fiduciary Fund Types:

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. The County's only fiduciary fund type is its agency funds. The County's agency funds hold assets such as property and other taxes as well as other intergovernmental resources that have been collected by the County and will be distributed to other taxing districts located within the County. The County's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or accounts of operations.

B. Basis of Presentation – Financial Statements

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. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. 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 therefore clearly identifiable to a particular function. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

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, with certain limited exceptions. 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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 fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund 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.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is thirty days after year end. In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, sales tax (see Note 8), federal and state grants and subventions, and charges for current services. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures, which are not considered measurable until received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

The County reports deferred revenues on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 2006, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2007 operations, have also been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general and special assessment long-term debt are recorded as fund liabilities when due, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds, and the agency funds. Revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled service charges receivable are recognized as revenue at year end.

Component Units

The Workshop and the Knox County Airport use the full accrual basis of accounting similar to the proprietary funds of the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources, and the appropriations 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 Workshop, Airport and ten funds of the County are being reported as part of the statements prepared using generally accepted accounting principles but were not budgeted by the County because they are outside of the appropriated budget and do not maintain separate budgetary financial records. The funds are Commissary, Revolving Loan, Law Enforcement, Drug Abuse Resistance Education, Calendar, Drug Enforcement, Work Release, LE Cadets, and Web Check (Special Revenue Funds) and Landfill Development (Enterprise Fund). The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines that more or less revenue will be received than originally estimated. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2006.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level, the legal level of control. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may only be modified during the year by a resolution of the Commissioners. During 2006, supplemental appropriation resolutions were passed. The amounts reported as the original budget amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as final budget amounts in the statement of budgetary comparison represent the final appropriations amount including all amendments and modifications.

Lapsing of Appropriations

At the close of the 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 need not be re-appropriated.

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 and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statements of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Budget Basis), 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:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

A reconciliation of results of operations on the GAAP basis to the budget basis appears in Note 4.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents and Investments

To improve cash management, cash received by the County Treasurer is pooled in a central bank account. Moneys for all funds, including proprietary funds, are maintained in this account or are temporarily used to purchase short term investments. Individual fund integrity is maintained through the County's records. Interest revenue earned by the primary government during 2006 amounted to \$1,335,406.

The County has invested funds in the STAR Ohio during 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2006.

For purposes of the statement of cash flows and for presentation on the financial statements, investments of the cash management pool are considered to be cash equivalents.

F. Inventories

Inventories of governmental funds are valued at cost using the purchase method while inventories of governmental activities and enterprise funds are valued at lower of cost or market using the consumption method.

Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

Component Units:

Inventory of the Workshop and the Knox County Airport is valued at the lower of cost or market on a first-in, first-out basis and is expensed when used.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it is consumed.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation

Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 except for land and computer hardware, in which all are capitalized.

1. Property, Plant and Equipment – Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at fair market value at the date received. Capital asset values were determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing current market costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds, and component units, are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Donated capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Primary Government</u>	<u>Workshop</u>	<u>Airport</u>
Buildings and Improvements	10-50 Years	N/A	10-50 Years
Machinery and Equipment	5-30 Years	5 Years	5-30 Years
Vehicles	5-10 Years	15 Years	5 Years
Computer Equipment	5 Years	5 Years	5 Years
Sewer and Water Lines	50 Years	N/A	N/A
Infrastructure	12-100 Years	N/A	N/A
Shop Equipment	N/A	7 Years	N/A
Runway	N/A	N/A	50 Years

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

The County complies with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. In proprietary funds, and the government-wide Statement of Net Assets, the entire amount of compensated absences is reported as a fund liability. In the government-wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

J. Long-Term Liabilities

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bond	Bond Retirement Fund
Ohio Public Works Commission Loan	Motor Vehicle and Gas Tax Fund
Ohio Water Development Authority Loan	Sewer District Fund
Capital Lease Payable	General Fund, Motor Vehicle and Gas Tax Fund
Compensated Absences	General Fund, Public Assistance Fund, Motor Vehicle and Gas Tax Fund, Children Services Board Fund, Mental Retardation Fund, Dog and Kennel Fund, Probate Juvenile Special Projects Fund, Juvenile Court Social Workers Fund, Delinquent Tax Assessment Fund, VOCA and SVAA Grant Fund, Byrne Drug Court Fund, 911 Emergency Calling System Fund, Youth Service Grant Fund, Emergency Management Agency Fund, Sewer District Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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 borrowings 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 adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

L. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

M. Reservations of Fund Balance

Reservations of fund balance indicate that a portion of the balance is not available for expenditure or is legally segregated for a specific future use. Balances are reserved for inventories of materials and supplies, loan receivables, due from component units, debt service and encumbered amounts not accrued at year end in the governmental funds.

N. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are sewer and water treatment and distribution, and interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

O. Risk Management

The County provides insurance coverage combined with its own risk management activities to organizations outside its reporting entity, however, the County is by far the predominant participant and the activity is reported as an internal service fund.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 3 – ACCOUNTING CHANGES

A. Restatement of Net Assets/Fund Balance

In 2006, the County determined that Cash with Fiscal should be reported for funds held by MEORC on behalf of the County. In addition, the County discovered additional capital assets to be capitalized for the Knox County Airport. The corrections resulted in the restatement of the net assets at December 31, 2005 for the governmental activities and the component unit and a restatement of fund balance at December 31, 2005 for the Mental Retardation fund, a major special revenue fund, as follows:

	Primary Government Governmental Activities	Component Unit Knox County Airport
Net Assets at December 31, 2005	\$64,531,354	\$4,087,215
Cash and Cash Equivalents with Fiscal Agent	2,009,153	0
Capital Asset Correction	0	455,788
Restated Net Assets at December 31, 2005	<u>\$66,540,507</u>	<u>\$4,543,003</u>

	Mental Retardation Fund
Fund Balance at December 31, 2005	\$1,215,385
Cash and Cash Equivalents with Fiscal Agent	<u>2,009,153</u>
Restated Fund Balance at December 31, 2005	<u>\$3,224,538</u>

B. Change in Accounting Estimate

Knox New Hope Industries, Incorporated made a change in an accounting estimate by increasing the useful life of vehicles from three years to fifteen years. This change is reported prospectively and did not result in a restatement of net assets at December 31, 2005.

C. Change in Accounting Principle

The County has implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. Implementation of this GASB had no impact on the County’s financial position or results of operation.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 4 - CONVERSION OF OPERATIONS FROM BUDGET BASIS TO GAAP BASIS

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

	Net Change in Fund Balances				
	General Fund	Public Assistance Fund	Motor Vehicle and Gasoline Tax Fund	Children's Services Board Fund	Mental Retardation Fund
GAAP Basis (as reported)	\$191,020	(\$333,150)	\$385,576	\$469,062	\$641,063
Increase (Decrease):					
Net Adjustments for					
Revenue Accruals	(17,538)	1,234,385	(6,352)	79	22,662
Net Adjustments for					
Expenditure Accruals	(258,002)	107,488	(197,471)	(19,669)	2,901
Transfers In	(93,805)	0	0	0	0
Transfers Out	103,860	0	0	0	0
Outstanding Encumbrances	(362,197)	(853,993)	(139,796)	(34,097)	(45,468)
Budget Basis	<u>(\$436,662)</u>	<u>\$154,730</u>	<u>\$41,957</u>	<u>\$415,375</u>	<u>\$621,158</u>

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$757 in the Time Out Program Fund, and \$12,076 in the Byrne Drug Court Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

The Landfill Development Fund had deficit net assets of \$1,448,818 as of December 31, 2006. The deficit in the Landfill Development Fund is the result of the recognition of payables in accordance with generally accepted accounting principles. The deficit will be eliminated when the liability is fully paid.

B. Certificate of Fiscal Officer

Contrary to Ohio Revised Code Section 5705.41 (D) the County Auditor did not always properly certify that the amount required to meet a commitment was lawfully appropriated and in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance for a portion of their 2006 expenditures.

The County Auditor will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 6 - DEPOSITS AND INVESTMENTS

Primary Government

The County maintains a cash and investment pool used by all funds. Each fund's portion of this pool is displayed on the financial statements as "Cash and Cash Equivalents." The County has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Auditor and Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Ohio law requires the classification of monies held by the County into two categories. The first classification consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for current demands upon the County Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

The second classification consists of "inactive" monies. Inactive monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bond, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase and reverse repurchase agreements in the securities enumerated above;
4. Time certificates of deposits or savings or deposit accounts;
5. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of the State or its political subdivisions;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreement secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value.
9. Commercial paper notes, corporate notes, and banker's acceptances; and,

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

10. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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. Historically, the County has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio Law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105% of the carrying value of the deposits being secured.

Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, \$18,105,603 of the County's bank balance of \$19,187,502 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

Investment earnings of \$1,046,074 earned by other funds was credited to the General Fund as required by state statute.

B. Cash with Fiscal Agents

In addition to deposits and investments, the County has uninsured and uncollateralized cash in the amount of \$2,145,199 being held by MEORC and the County had cash with fiscal agents in the amount of \$751,587 held by an insurance service provider, of which \$100,00 was insured by FDIC and the remaining deposits were uninsured and uncollateralized.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

C. Investments

The County's investments at December 31, 2006 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years) less than 1
STAR Ohio	\$5,535,863	AAAm ¹	\$5,535,863
Total Investments	\$5,535,863		\$5,535,863

¹ Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

Concentration of Credit Risk – The County places no limit on the amount the County may invest in one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County has no policy dealing with custodial credit risk beyond the requirements of ORC 135.14 (M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Component Units

At year end, the carrying value of the Knox New Hope Industries, Inc. deposits was \$156,875 and the bank balance was \$156,973. \$100,000 of the bank balance was covered by federal depository insurance. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation. Cash and deposits of the Workshop are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" and "Cash and Cash Equivalents with Fiscal Agent." New Hope Industries, Inc. invests in open-ended mutual funds, which are presented at the fair market value at December 31, 2006, with a maturity of less than one year. Raymond James Financial, Inc. is the counterparty for determining custodial risk for the mutual funds and their credit rating by Standard & Poor's is BBB/stable A-2.

At year end, the carrying value of the Knox County Airport's deposits was \$580,891 and the bank balance was \$591,987. \$100,000 of the bank balance was covered by federal depository insurance, the remainder of the balance was uninsured and collateralized through an entity pool with securities held by the pledging institution's trust department not in the Airport's name. Cash and deposits of the Airport are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts." The Airport also had Cash and Cash Equivalents with Fiscal Agent of \$15,938 that is being held by the USDA as a loan guarantee. The Airport follows similar guidelines for deposit and investment of funds for the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied as of October 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2002. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 18.75 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at eighty-eight percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

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.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of December 31, 2006. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2006 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 2006, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$954,584,050
Public Utility Personal Property	39,517,390
Tangible Personal Property	<u>96,789,702</u>
Total Assessed Value	<u>\$ 1,090,891,142</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 8 - PERMISSIVE SALES AND USE TAX

In 1971, the County Commissioners by resolution imposed a one-half percent sales tax. In 1993, the County Commissioners imposed an additional one quarter percent tax on all retail sales to fund the 9-1-1 Emergency Calling System and, in 1994, the County Commissioners imposed a quarter percent tax on all retail sales made in the County for the general operations of the County. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The State Auditor then has five days in which to draw the warrant payable to the County.

Amounts that are measurable and available at year-end are accrued as revenue in governmental funds. Sales tax revenue in 2006 amounted to \$5,357,675 with \$4,012,536 credited to the General Fund and \$1,345,139 credited to the 9-1-1 Emergency Calling System Special Revenue Fund.

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KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 9 - RECEIVABLES

Receivables at December 31, 2006, consisted of taxes, interest, special assessments, accounts, (billings for user charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>	<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund		Special Revenue Funds	
Election Costs Receivable	\$2,586	Drug Abuse Resistance Grant	26,208
Sheriff's Contracts	55,979	Litter Grant	966
Prisoner Housing	42,719	Youth Services Grant	50,861
Municipal Court Reimbursement	3,128	VOCA Grant	21,148
Homestead and Rollback Reimbursement	143,789	Jail Diversion Grant	25,552
Local Government	486,788	Drug Court Grant	41,102
Municipal Court Fines & Costs	6,286	Emergency Management Grant	10,426
Ag Society Salary Reimbursement	10,366	Home Fund Grant	320,850
Public Defender Reimbursement	9,016	Citizens Corp Program Grant	9,031
Workman's Comp Refund	5,600	Municipal Court Fines & Costs	65
Corsa	7,485	Community Health Homestead	
Total General Fund	<u>773,742</u>	and Rollback Reimbursement	29,327
		Senior Citizen Homestead	
Public Assistance Fund		and Rollback Reimbursement	42,105
Public Assistance Grant	266,922	Intake Officer Grant	8,020
Total Public Assistance Fund	<u>266,922</u>	911 Wireless Fees	2,583
		Total Nonmajor Special Revenue Funds	<u>588,244</u>
Motor Vehicle and Gasoline Tax Fund			
Cents Per Gallon	429,920	CDBG Grant	836,524
Motor Vehicle District Registration	208,137	Total Nonmajor Capital Projects	<u>836,524</u>
County Motor Vehicle	419,034		
Road Miles	187,696	Total Governmental Fund Types	<u>\$5,278,610</u>
5% County Equalization	85,378		
New Permissive	216,071	Agency Funds	
Old Permissive	104,112	Local Government	\$907,604
Gasoline Tax	763,040	Revenue Assistance	219,477
Total Motor Vehicle and Gasoline Tax Fund	<u>2,413,388</u>	Library Local Government	850,190
		Cents Per Gallon	356,016
Children Service Board Fund		Motor Vehicle Registration	94,993
Children Services Homestead		Township Road Miles	112,027
and Rollback Reimbursement	45,517	New Permissive	65,450
Children Services Foster Care	1,676	Old Permissive	46,817
Total Children Services Board	<u>47,193</u>	Municipal Court Fines & Costs	1,905
		Workers Compensation	12,517
Mental Retardation Fund		Gasoline Tax	623,253
Mental Retardation Grant	294,497	Total Agency Funds	<u>\$3,290,249</u>
Mental Retardation Homestead			
and Rollback Reimbursement	58,100		
	<u>352,597</u>		

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
<i>Capital assets not being depreciated:</i>				
Land	\$3,511,122	\$0	\$0	\$3,511,122
Construction In Progress	731,030	0	(731,030)	0
Subtotal	4,242,152	0	(731,030)	3,511,122
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	24,865,870	2,086,944	(28,749)	26,924,065
Machinery and Equipment	3,952,628	1,106,714	(604,048)	4,455,294
Vehicles	2,601,100	168,915	(138,535)	2,631,480
Computer Equipment	957,130	119,512	(49,005)	1,027,637
Infrastructure	43,267,762	2,697,096	(1,877,058)	44,087,800
Subtotal	75,644,490	6,179,181	(2,697,395)	79,126,276
Total Cost	\$79,886,642	\$6,179,181	(\$3,428,425)	\$82,637,398

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings and Improvements	(\$5,873,253)	(\$901,885)	\$25,873	(\$6,749,265)
Machinery and Equipment	(2,434,440)	(269,673)	480,173	(2,223,940)
Vehicles	(1,717,421)	(170,918)	99,249	(1,789,090)
Computer Equipment	(743,772)	(106,627)	43,204	(807,195)
Infrastructure	(14,096,089)	(1,522,886)	1,870,566	(13,748,409)
Total Depreciation	(\$24,864,975)	(\$2,971,989) *	\$2,519,065	(\$25,317,899)

Net Value:

\$55,021,667	\$57,319,499
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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 10 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

*Depreciation expenses were charges to governmental functions as follows:

General Government	
Legislative and Executive	\$459,335
Judicial	21,389
Public Safety	490,633
Public Works	1,699,339
Health	69,534
Human Services	231,759
Total Depreciation Expense	<u>\$2,971,989</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Capital assets not being depreciated:				
Land	\$236,839	\$0	\$0	\$236,839
Capital assets being depreciated:				
Buildings and Improvements	841,527	0	(6,956)	834,571
Machinery and Equipment	1,066,787	5,699	(1,748)	1,070,738
Vehicles	172,265	0	0	172,265
Computer Equipment	40,213	39,873	0	80,086
Sewer and Water Lines	2,009,927	0	0	2,009,927
Subtotal	<u>4,130,719</u>	<u>45,572</u>	<u>(8,704)</u>	<u>4,167,587</u>
Total Cost	<u>\$4,367,558</u>	<u>\$45,572</u>	<u>(\$8,704)</u>	<u>\$4,404,426</u>

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings and Improvements	(\$278,225)	(\$14,841)	\$6,956	(\$286,110)
Machinery and Equipment	(229,197)	(32,323)	1,748	(259,772)
Vehicles	(74,667)	(19,265)	0	(93,932)
Computer Equipment	(23,802)	(5,330)	0	(29,132)
Sewer and Water Lines	(826,887)	(40,199)	0	(867,086)
Total Depreciation	<u>(\$1,432,778)</u>	<u>(\$111,958)</u>	<u>\$8,704</u>	<u>(\$1,536,032)</u>
Net Value:	<u>\$2,934,780</u>			<u>\$2,868,394</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 10 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets

A summary of the Knox New Hope Industries' and Knox County Airport's capital assets at December 31, 2006, follows:

Knox New Hope Industries

Historical Cost:

<u>Class</u>	<u>December 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2006</u>
Capital assets being depreciated:				
Machinery and Equipment	\$66,916	\$239	\$0	\$67,155
Vehicles	64,476	0	0	64,476
Computer Equipment	12,785	1,510	0	14,295
Total Cost	<u>\$144,177</u>	<u>\$1,749</u>	<u>\$0</u>	<u>\$145,926</u>

Accumulated Depreciation:

<u>Class</u>	<u>December 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2006</u>
Machinery and Equipment	(\$37,697)	(\$6,765)	\$0	(\$44,462)
Vehicles	(63,809)	(4,245)	23,456	(44,598)
Computer Equipment	(9,322)	(1,046)	0	(10,368)
Total Depreciation	<u>(\$110,828)</u>	<u>(\$12,056)</u>	<u>\$23,456</u>	<u>(\$99,428)</u>
Net Value:	<u>\$33,349</u>			<u>\$46,498</u>

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KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 10 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets (Continued)

Knox County Airport

<i>Historical Cost:</i>	Restated December 31, 2005	Additions	Deletions	December 31, 2006
Class				
<i>Capital assets not being depreciated:</i>				
Land	\$744,837	\$0	\$0	\$744,837
Construction in Progress	2,736,383	1,388,956	(2,746,017)	1,379,322
Subtotal	3,481,220	1,388,956	(2,746,017)	2,124,159
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	967,752	3,667,842	0	4,635,594
Machinery and Equipment	549,645	0	0	549,645
Vehicles	41,000	0	0	41,000
Computer Equipment	2,582	0	0	2,582
Subtotal	1,560,979	3,667,842	0	5,228,821
Total Cost	\$5,042,199	\$5,056,798	(\$2,746,017)	\$7,352,980
<i>Accumulated Depreciation:</i>				
Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings and Improvements	(\$206,146)	(\$54,364)	\$0	(\$260,510)
Machinery and Equipment	(122,031)	(18,241)	0	(140,272)
Vehicles	(38,543)	(924)	0	(39,467)
Computer Equipment	(1,613)	(212)	0	(1,825)
Total Depreciation	(\$368,333)	(\$73,741)	\$0	(\$442,074)
<i>Net Value:</i>	\$4,673,866			\$6,910,906

NOTE 11 - JOINT VENTURES

A. Emergency Management Agency

The Emergency Management Agency is a joint venture among the County, twenty-two townships located within the County, six villages and one corporation. The Board is composed of at least the following seven members: One county commissioner representing the board of county commissioners entering into the agreement; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 11 - JOINT VENTURES (Continued)

A. Emergency Management Agency (Continued)

The Agency does not have any outstanding debt. The County contributed \$30,000 to the Agency during 2006. The County has an ongoing financial responsibility for the agency in that the existence of the Agency depends upon the continuing participation of the County. The Agency is not accumulating significant financial resources nor experiencing fiscal stress that may cause an additional benefit or burden to the County.

B. Community Mental Health and Recovery Board of Licking and Knox Counties (CMHRB)

The CMHRD Board is a joint venture between Knox and Licking counties. The headquarters for the CMHRD Board is in Licking County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the CMHRD Board is made up of 15 members, with 10 appointed by the county commissioners and five by the State Director of Mental Health. These appointments are based on county population, with the largest county in population having the most appointed members. With respect to the county's population, two of the five members appointed by the State Director of Mental Health are from Knox County, and three of the 10 appointed by the county commissioners are from Knox County. Revenues to provide mental health services are generated through a one mill district wide tax levy and through state and federal grants. The Board does not have any outstanding debt. The Board is not accumulating significant financial resources nor experiencing fiscal stress that may cause an additional benefit or burden to the County. The existence of the Board depends upon the continuing participation of the County. The County collected \$723,228 in property taxes for the Board during 2006. Separate financial statements may be obtained by contacting the CMHRD Board at 65 Messimer Drive, Newark, Ohio.

C. Eastern Ohio Housing Corporation

The Knox County Board of Mental Retardation and Developmental Disabilities (MRDD), along with five other county boards of mental retardation and developmental disabilities, entered into a contract with the Eastern Ohio Housing Corporation. This Corporation is a non-profit charitable corporation which is responsible for developing dwellings, providing affordable housing and managing a range of residential alternatives and support services to persons with disabilities. The housing purchases are financed by State grants that are distributed to each MRDD Board and then to the Corporation. No contributions were made by the County during 2006. The Corporation is a joint venture among the Counties because of the potential liability for the housing loans upon the Corporation's default on loans or dissolution. Upon dissolution of the Corporation, the Corporation shall distribute all remaining assets of the operation to the participating County Boards of Mental Retardation and Developmental Disabilities. Information can be obtained from Eastern Ohio Housing Corporation, 340 Fox Shannon Place, St. Clairsville, Ohio.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

A. Joint Solid Waste District

The Joint Solid Waste District is a jointly governed organization among Delaware, Knox, Marion and Morrow Counties. Each of these governments supports the District. The County made no contributions during 2006. The degree of control exercised by any participating County is limited to its representation on the Board. The Board of Directors consists of twelve members, the three county commissioners of each of the four counties. The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees.

B. Mid Eastern Ohio Regional Council (MEORC)

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization among fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants that are paid to MEORC as part of a contract with the participating counties for the purposes of funding Provider Contracts and other services and support for individuals referred by the County Boards to MEORC. Any surplus funds may be returned to the County Boards, or spent at the direction of the Boards in compliance with applicable laws and MEORC policies. At December 31, 2006, MEORC maintained a balance of \$2,145,199 of the Knox County Board's funds. These funds are reported as Cash and Cash Equivalents with Fiscal Agent on Knox County's financial report. The Council does not have any outstanding debt. No contributions were made by the County in 2006. At December 31, 2006 MEORC owed the County \$230,602 for payroll expenditures.

MEORC has contracted with Knox County to provide payroll services for seven employees of the Council. MEORC reimburses the County for any expenditures incurred.

C. Licking-Muskingum Community Based Correctional Facility (CBCF)

The Licking-Muskingum Community Based Correctional Facility (CBCF) is a four county facility created pursuant to Ohio Revised Code Section 2301.51. The CBCF serves Licking, Muskingum, Coshocton and Knox counties. The CBCF was formed in 1994 to offer treatment, education, work and other rehabilitation services to convicted felons within the four counties. The CBCF is governed by a seven member board comprised of two common pleas court judges from Licking, Muskingum and Coshocton Counties and one common pleas court judge from Knox County. The common pleas judges and the respective county commissioners appoint a thirteen member citizens advisory board to assist in the operation of the CBCF. The board has total control over budgeting, personnel, and financial matters. The CBCF receives funding in the form of state grant monies which are used to provide the various services of the CBCF. Licking County serves as fiscal agent for the CBCF. During 2006, the CBCF received no monies from Knox County. The continued existence of the CBCF is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the CBCF. The CBCF has no outstanding debt.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 13 - RISK MANAGEMENT

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. The County paid \$210,988 in the form of insurance premiums during 2006 to CORSA.

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

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State's workers' compensation program, \$1,000,000 for employee benefit liability, \$1,000,000 for law enforcement professional liability, \$1,000,000 for public official error and omission liability, \$1,000,000 for automobile liability, and \$250,000 for uninsured motorists liability.

In addition, the County maintains replacement cost insurance on buildings and contents. Other property insurance includes: \$1,000,000 for extra expenses, data processing equipment, contractor's equipment and miscellaneous equipment, \$1,000,000 for valuable papers and records, actual cash value for automobile physical damage, and \$1,000,000 for flood and earthquake damage. Comprehensive boiler and machinery coverage is carried in the amount of \$50,000,000.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 13 - RISK MANAGEMENT (Continued)

The County also maintains crime insurance on its food stamp program, its monies and securities, and potential employee dishonesty. Respectively, the crime insurance is held in the amounts of \$250,000, \$250,000, and \$250,000.

With the exception of health insurance, workers' compensation, and all elected officials bonds, all insurance is held with CORSA. The amount of settlements has not exceeded insurance coverage in any of the past three years.

The County has elected to provide employee medical/surgical and dental benefits through a self insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program.

The liability for unpaid claims costs of \$432,895 reported in the fund at December 31, 2006 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2005	\$175,066	\$3,206,647	(\$3,051,654)	\$330,059
2006	330,059	2,799,915	(2,697,079)	432,895

The County participates in the Workers' Compensation program provided by the State of Ohio. The County belongs to a pool with 50 other Ohio counties (County Commissioners Association of Ohio) for a workers' compensation group rating program. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. A group executive committee consists of seven members and is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing fees, and determining eligibility of each participant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 14 - DEFINED BENEFIT RETIREMENT PLANS

Ohio Public Employees Retirement System

All Knox County full-time employees participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD 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 MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members, other than those engaged in law enforcement, are required to contribute 9.0 percent of their annual covered salary to fund pension obligations; law enforcement employees contribute 10.1 percent. For plan members, other than those engaged in law enforcement, the County was required to contribute 13.7 percent of covered salary for 2006, 9.2% to fund the pension. The County contribution for law enforcement employees for 2006 was 16.93 percent, 12.43% to fund the pension. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2006, 2005, and 2004 were \$2,421,974, \$2,180,398, and \$2,218,541, respectively: 90.43 percent has been contributed for 2006 and 100 percent has been contributed for 2005 and 2004. The unpaid contribution for 2006 is recorded as a liability in the respective funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 15 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2006 is 13.7 percent of covered payroll for employees not engaged in law enforcement; 4.5 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2006 was 16.93 percent; 4.5 percent was used to fund health care.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS latest actuarial review performed as of December 31, 2005. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2005 was 6.5%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.50% to 6.3%. Health care costs were assumed to increase 4 % annually plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase 4.0% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 358,804. The County's actual contributions for 2006 which were used to fund postemployment benefits were \$874,576. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 16 - OTHER EMPLOYEE BENEFITS

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 and compensatory time is paid upon separation if the employee has acquired at least one year of service with the County. Twenty-five percent up to a maximum of thirty days accumulated unused sick leave is paid to employees upon retirement after ten years of service. As of December 31, 2006, the liability for compensated absences was \$970,030 for the entire County.

NOTE 17 - CAPITAL LEASES - LESSEE DISCLOSURE

One capital lease was entered into during 2005 for an excavator. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds. Equipment acquired by lease has been capitalized in the governmental activities capital assets in the amount of \$135,302, which is equal to the lesser of the fair market value or the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the governmental activities long-term liabilities.

Future minimum lease payments as of December 31, 2006 are as follows:

<u>Year Ending December 31,</u>	<u>Engineer Department</u>
<u>2007</u>	<u>Amount</u>
2008	\$48,987
Minimum Lease Payments	48,987
Less amount representing interest at the County's incremental borrowing rate of interest	97,974
Present value of minimum lease payments	<u>(5,909)</u>
	<u>\$92,065</u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 18 - LONG-TERM LIABILITIES

Changes in the County's long-term liabilities during the year consisted of the following:

	Balance December 31, 2005	Additions	(Reductions)	Balance December 31, 2006	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable					
1998 5.02% Children's Resource Center	\$895,000	\$0	(\$50,000)	\$845,000	\$55,000
1997 5.27% Corporate Center	1,740,000	0	(110,000)	1,630,000	115,000
2001 5.04% Correctional Facility	5,652,000	0	(252,000)	5,400,000	260,000
2001 5.05% Board of Health Center	1,413,000	0	(63,000)	1,350,000	65,000
2002 4.75% JFS Training Center	1,210,000	0	(55,000)	1,155,000	55,000
Total General Obligation Bonds	<u>10,910,000</u>	<u>0</u>	<u>(530,000)</u>	<u>10,380,000</u>	<u>550,000</u>
Installment Note-Board of Elections	60,000	0	(60,000)	0	0
Ohio Public Works Commission Loan Payable	29,434	0	(3,271)	26,163	3,270
Capital Leases-General Fund - Tax Map Department	444	0	(444)	0	0
Capital Leases-Motor Vehicle and Gasoline Tax Fund - Engineer Department	135,783	0	(43,718)	92,065	45,075
Total Capital Leases	<u>136,227</u>	<u>0</u>	<u>(44,162)</u>	<u>92,065</u>	<u>45,075</u>
Compensated Absences	863,003	939,391	(863,003)	939,391	650,970
Total Governmental Activities	<u>\$11,998,664</u>	<u>\$939,391</u>	<u>(\$1,500,436)</u>	<u>\$11,437,619</u>	<u>\$1,249,315</u>
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):					
2000 2.00% Water Treatment Plant/Clearwells/Wellfield	\$68,810	\$0	(\$2,115)	\$66,695	\$2,233
Total Ohio Water Development Authority Loans	<u>68,810</u>	<u>0</u>	<u>(2,115)</u>	<u>66,695</u>	<u>2,233</u>
Landfill Postclosure Care Liability	1,737,321	0	(69,399)	1,667,922	87,293
Compensated Absences	25,389	30,639	(25,389)	30,639	15,542
Total Business-Type Long-Term Liabilities	<u>\$1,831,520</u>	<u>\$30,639</u>	<u>(\$96,903)</u>	<u>\$1,765,256</u>	<u>\$105,068</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 18 - LONG-TERM LIABILITIES (Continued)

The capital lease will be paid from a special revenue fund. The Board of Elections note installment for the voting machines and the Correctional Facility general obligation bonds will be paid from the general fund. The Corporate Center Bonds and the JFS Training Center bonds will be paid from the Department of Human Services, which is mostly funded by levies passed by the voters. The Children’s Resource Center bonds will be paid by a lease with Boy’s Village Inc. If Boy’s Village Inc. does not pay their lease, the bonds will be paid by Children Services monies. The OWDA loan will be paid through special assessments. Compensated absences are reported as long-term liabilities and will be paid from the fund from which the employee is paid.

Corporate Center bond requirements to maturity, including \$577,185 of interest; Children’s Resource Center bond requirements to maturity, including \$296,271 of interest; Correctional Facility bond requirements to maturity, including \$2,320,492 of interest; Board of Health Center bond requirements to maturity, including \$580,124 of interest; JFS Training Center bond requirements to maturity, including \$483,524 of interest; the OWDA Loan requirements to maturity, including \$39,702 of interest; and the OPWC Loan requirements to maturity which is noninterest bearing are as follows:

Governmental Activities:

Years	General Obligation Bonds		OPWC Loan Payable
	Principal	Interest	Principal
2007	\$550,000	\$494,470	\$3,271
2008	570,000	471,955	3,271
2009	595,000	447,753	3,270
2010	615,000	421,703	3,271
2011	650,000	394,050	3,271
2012-2016	3,730,000	1,480,665	9,809
2017-2021	3,575,000	542,250	0
2022-2024	95,000	4,750	0
Totals	<u>\$10,380,000</u>	<u>\$4,257,596</u>	<u>\$26,163</u>

Business-type Activities:

Years	OWDA Loan Payable	
	Principal	Interest
2007	\$2,234	\$3,677
2008	2,359	3,552
2009	2,492	3,419
2010	2,633	3,278
2011	2,781	3,130
2012-2016	16,442	13,113
2017-2021	21,629	7,926
2022-2024	16,125	1,607
Totals	<u>\$66,695</u>	<u>\$39,702</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 18 - LONG-TERM LIABILITIES (Continued)

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 effects of the debt limitations described above at December 31, 2006, are an overall debt margin of \$21,447,987; and an unvoted debt margin of \$6,584,619.

NOTE 19 - NOTES PAYABLE AND LOANS PAYABLE

Component Units

On July 28, 2005 the Airport secured a loan with the United States Department of Agriculture - Rural Development (USDA) for \$775,000. The loan is secured by Airport Revenue Bonds issued by the Airport and purchased by the USDA. The loan funds were being held by the USDA until needed by the Airport for airplane hanger construction which began in 2005. At December 31, 2006, the Airport had drawn down \$759,062 on the loan. A final amortization schedule for repayment on the loan will be determined when all the funds have been drawn down from the USDA. At December 31, 2006, \$761,500 has been included in the long term liability section of the Airport's balance sheet. Any amounts not drawn down as of December 31, 2006 are recorded as "Cash and Cash Equivalents with Fiscal Agent" on the Statement of Net Assets.

At December 31, 2006, the Knox County Airport also had \$111,600 in revenue bonds outstanding which were used to remove and replace fuel tanks. The original bonds issued were for \$158,000 and the bonds bear an interest rate of 4.75 percent. The bonds will mature in installments over 20 years. The Knox County Airport also has loans payable to the Primary Government outstanding at December 31, 2006, in the amount of \$200,000 that were issued to construct new hangar bays, storage building and land purchase. These loans will be repaid over the next 25 years and are non-interest bearing. They are reported as Long-term Liabilities.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 20 - INTERFUND TRANSACTIONS

The following balances at December 31, 2006 represent transfers in and transfers out:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$320,685	\$1,242,505
Public Assistance Fund	200,000	377,189
Mental Retardation Fund	126,571	135,071
Other Governmental Funds	1,348,023	254,965
Total Government Funds	1,995,279	2,009,730
Business-Type Activities:		
Sewer Fund	4,396	93,805
Landfill Fund	103,860	0
Total Enterprise Funds	108,256	93,805
Totals	<u>\$2,103,535</u>	<u>\$2,103,535</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

Interfund balances at December 31, 2006, consist of the following individual fund receivables and payables:

<u>Due from/Due to Other Funds:</u>	<u>Recipient</u>	<u>Payer</u>
General Fund	\$20,090	\$127,476
Public Assistance	0	6,150
Other Governmental Funds	127,476	13,940
Total Due from/Due to Other Funds	<u>\$147,566</u>	<u>\$147,566</u>
<u>Interfund Receivables/Payables:</u>		
Other Governmental Funds	<u>\$9,500</u>	<u>\$9,500</u>
Total Interfund Receivables/Payables	<u>\$9,500</u>	<u>\$9,500</u>

The Due to/Due from Other Funds is for services provided by one fund for another fund. The Interfund Receivable/Payable is a short-term loan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 21 - CONTINGENT LIABILITIES

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor and outside counsel, ultimate disposition of these claims and lawsuits will not have a material effect, if any, on the financial condition of the County.

NOTE 22 - CONTRACTUAL COMMITMENTS - LANDFILL CLOSURE

The County closed the landfill in compliance with the requirements set by the Environmental Protection Agency (EPA) on September 30, 1993. The recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date. The County is at 100% capacity. The County Commissioners have awarded contracts as of December 31, 2006 for engineering, monitoring, and testing the landfill closure requirements to Bennett & Williams, Inc. and MASI, Inc. to ensure that requirements are being met. No assets are restricted for payment of closure and postclosure care costs. There is an estimate for postclosure care costs until the year 2023. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. The costs of monitoring the Landfill will be covered by a transfer from the General Fund to the Landfill Development Fund. The County has met State required postclosure care financial assurance requirements.

NOTE 23 - RELATED PARTY TRANSACTIONS

During 2006 Knox County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of programs to New Hope Industries, Inc., (the "workshop"), a discretely presented component unit of Knox County. The Workshop reported \$210,996 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the workshop. Additional habilitative services provided directly to Workshop clients by Knox County amounted to \$1,057,623 during 2006. See Subsequent Event Note 25.

Knox County granted a loan to the Knox County Airport, a discretely presented component unit of Knox County, for the construction of airport hangar bays and storage buildings, and the purchase of land. Loans Receivable from Component Units are reflected in the General Fund of the County for the balance of the loan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 24 - CONDUIT DEBT OBLIGATIONS

The County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2006, there were twenty-four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,600,000.

Also, at December 31, 2006, Industrial Revenue Bonds outstanding for Knox Community Hospital totaled \$34,500,000.

NOTE 25 – COMPONENT UNIT SUBSEQUENT EVENT

On March 2, 2007 New Hope Industries, Inc (the Workshop) became a stand alone Adult Day Service (ADS) provider. Prior to March 2, 2007 ADS's were provided by the Knox County Board of MR/DD (KCBMRDD) through the Workshop. The Workshop made the decision to become a stand alone ADS provider based on a decision of the KCBMRDD in June 2006 to discontinue providing ADS due to Medicaid rule changes.

The estimated in-kind contributions provided by the KCBMRDD to the Workshop for the period January 1, 2007 through March 2, 2007 was \$23,405.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, FIDUCIARY
FUNDS, AND CASH FLOWS OF COMPONENT UNITS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Dog and Kennel Fund

The fund is to account for the dog warden's operations that are financed by sales of dog tags, kennel permits and fine collections.

Indigent Guardianship Fund

The fund was established under Section 2111.51 of the Ohio Revised Code to account for the collection and distribution of probate court fees established under Section 2101.16 of the Revised Code.

Conduct of Business Fund

The fund was established for the collection and distribution of probate court fees established under Section 2101.19 of the Revised Code.

Courts Computer Fund

The fund was established for the collection of fees by the clerk of courts, probate court, and juvenile court to be used to fund the computerization and ongoing computer maintenance of the various courts.

Recorder's Equipment Fund

The fund was established for the collection of fees by the recorder to be used for funding the acquisition and maintenance of equipment purchased by the recorder.

Courts' Computer Research Fund

The fund was established for the collection of fees by the clerk of courts, probate court, and juvenile court to be used for funding the acquisition and maintenance of computerized legal research services for the various courts.

Time Out Program Fund

The fund accounts for state grants received for the Knox County Juvenile Court and to be used on expenses to monitor juvenile detention program called "Podsville".

Court Security Fund

The fund accounts for revenue received to increase security for the Court House. Expenditures are for personnel and equipment to increase security and safety for the individuals working and using the Court House.

(Continued)

Special Revenue Funds

Probate-Juvenile Special Project Fund

The fund accounts for revenue received to acquire and pay for special projects. Expenditures are for the acquisition of additional facilities or the rehabilitation of existing facilities, equipment, hiring and training staff, community service programs, mediation or dispute resolution services and other related services.

Juvenile Court Special Probation Fund

The fund accounts for state grant monies designated for juvenile social workers. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

After Hours Probation Fund

The fund accounts for revenue received to supervise probation clients. Expenditures are for the personnel and any equipment necessary for probation. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Juvenile Court Social Workers Fund

The fund accounts for intergovernmental revenue and a transfer from the Children Services fund to be used for social workers who work at the direction of Juvenile Court and related expenditures.

Automated Title Processing Fund

The fund accounts for fees collected by the clerk of courts to be used for costs incurred in processing titles under Chapters 1548 and 4505 of the Revised Code.

Delinquent Tax Assessment Collection Fund

The fund accounts for a percentage of the monies received from delinquent tax and assessment collections. Half of the money is to be allocated to the prosecutor and the other half to the treasurer to be used for the collection of delinquent taxes and assessments.

**Victims of Crime Act (VOCA) and
State Victims Assistance Act (SVAA) Grant Fund**

The fund is two grants being a Federal Grant, Victims of Crime Act, and a State Grant, State Victims Assistance Act. The monies are to be used to assist victims of crimes and awareness of help to these families.

Marine Patrol Grant Fund

The grant monies are received from the State of Ohio, Department of Natural Resources, for the purpose of establishing and/or maintaining and operating a marine law enforcement patrol program.

Drug Abuse Resistance Education Grant Fund

The fund accounts for a grant received from the Ohio Attorney General to be used for the salary of a certified Drug Abuse Resistance Education (DARE) officer.

(Continued)

Special Revenue Funds

Common Pleas Prison Reduction Grant Fund

The fund accounts for a grant received from the Department of Rehabilitation and Correction. The project was designed to prepare the court to comply with the dictates of Senate Bill 2 when it became effective in July of 1996. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Common Pleas Jail Diversion Grant Fund

The fund accounts for two grants awarded from the Department of Rehabilitation and Correction. The grants are to help divert offenders from the penal system and to help with pre-trial releases from jail.

Byrne Drug Court Fund

The grant monies are received from the State of Ohio, Office of Criminal Justice Services, for the purpose of paying for a probation officer, drug screening on juveniles who appear in court and a counselor who helps counsel juveniles on drug abuse prevention.

911 Emergency Calling System Fund

The fund accounts for a one quarter percent sales tax imposed by the commissioners for funding of the 911 emergency calling system.

Child Abuse Prevention Grant Fund

The money for this grant comes from the Ohio Children's Trust Fund, a division of the Ohio Job and Family Services. The expenses are to be used to make awards to selected child abuse or neglect prevention programs in the county. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Litter Control and Recycling Fund

The fund accounts for state grant receipts and donations from both individuals and corporations used to enforce litter laws, educate citizens, and promote litter control in the County.

Child Support Enforcement Agency Fund

The fund accounts for the poundage fees and earned incentives collected by the Child Support Enforcement Agency which are restricted by state statute to finance the operation of the CSEA, and Title IV-D grants that reimburse expenditures for support enforcement. Payments are distributed to the court-designated recipients. The CSEA is managed by the department of human services.

Real Estate Assessment Fund

The fund accounts for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

(Continued)

Special Revenue Funds

Youth Services Grant Fund

Grant monies are received from the State Department of Youth Services and used for placement of children, a juvenile delinquents diversion program, work programs involving restitution, juvenile delinquency prevention and other related activities.

Ditch Maintenance Fund

The fund accounts for special assessment revenue which is used for improvements and repairs for various ditches in Knox County.

Water Resource Study Fund

The fund accounts for donations from various subdivisions in Knox County to develop a county-wide effort to determine the quality and quantity of a large underground aquifer and to purchase legal services needed to repel outside agencies, which are intruding on this underground water supply.

Emergency Management Agency Fund

The fund accounts for the fund controlled by the Emergency Management Agency as established by Section 5915.07, Ohio Revised Code.

Family Resources Fund

The fund accounts for revenue received from the Ohio Department of Mental Retardation and Development Disabilities. Expenditures are for in-home respite care, out-of-home respite care, education, training, counseling, and for administrative costs.

Home Fund

The fund accounts for rehabilitation, tenant-based rental payment assistance and home buyer down payment assistance through a grant received from the Department of Housing and Urban Development.

Marriage License Fund

The fund accounts for the \$17 collected on each issued marriage license which is sent to a local shelter called New Directions for victims of domestic abuse.

Help America Vote Grant Fund

The fund accounts for grant monies designated for the upgrade of voting equipment.

Storm Water Management Fund

The fund accounts for charges to control water run off and access to roadways for new builds.

Concealed Handgun License Fund

The fund was established by the State of Ohio under Ohio Revised Code 2923.125 and permits individuals to have a concealed handgun with the purchase of a license through the Sheriff.

(Continued)

Special Revenue Funds

Workforce Investment Act (WIA) Programs Fund

The fund accounts for monies provided for workforce training for youth and adults.

Flood Assistance Fund

The fund accounts for reimbursement of expenses for flood damage through the Federal Emergency Management Agency.

Citizen Corps Program Grant Fund

The fund accounts for grant monies to provide funding for County Citizen Corps Councils. It is to implement public education, maximize volunteer opportunities and encourage cooperation and collaboration among community leaders.

Supervision Fee Fund

This fund was established by the Judge of the Common Pleas Court with income from fees assessed in his court by offenders placed on community control, judicial release or diversion. The expenses are for schooling and other expenses necessary for Probation Officers to supervise the offenders, pursuant to Ohio Revised Code Section 737.41.

Parenting Seminar Fund

This fund was established by the Judge of the Common Pleas Court with revenues coming from increased court fees. Expenses are for the personnel and material to conduct the seminars on parenting.

Immobilized Vehicle Fund

This fund accounts for revenue received from fees from the court and expended for Sheriff expenses to investigate the vehicle violations.

Intake Officer Fund

This fund accounts for grant monies to provide salary and benefits for an Officer in the Juvenile Court System working with juveniles.

Commissary Fund

The fund accounts for revenues generated through the Sheriff's department from sales within the commissary. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Law Enforcement Fund

The fund accounts for the County's share of the assets forfeited in drug enforcement cases. This money is to be used for future drug investigations. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Drug Abuse Resistance Education Fund

The fund accounts for proceeds from the sale of vehicles ordered criminally forfeited to the state. The money is used to educate adults or children about the dangers associated with the use or abuse of drugs. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.) (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Special Revenue Funds

Drug Enforcement Fund

The fund accounts for fine moneys received under Section 2925.03 of the Ohio Revised Code. The money is used for drug abuse prevention education, drug law enforcement education, drug enforcement equipment, undercover drug purchases, travel expenses, pictures, handbooks, advertisements, and training related to drug enforcement. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Revolving Loan Fund

The fund accounts for money received from the Community Development Block Grant and used for low interest loans to County businesses for development projects. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Calendar Fund

The fund accounts for donations received for the costs associated with the production of Victims of Crime calendars. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Work Release Fund

This fund was established to help prisoners who get paid for jobs to reimburse the County for expenses, pay toward their court fees and fines, or have money put into the commissary fund. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Law Enforcement Cadets Fund

The fund accounts for fines for the instruction of youths in the cadet training program. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

Web Check Fund

The fund accounts for fees to check on criminal backgrounds through the State of Ohio. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.) (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Community Mental Health Fund

The fund was established to account for the one (1) mill voted levy to provide mental health services through the Moundbuilder's Guidance Center.

Senior Citizens Fund

The fund was established to account for the one (1) mill voted levy in November, 2002. The money received is to be used to benefit any Knox County citizen age 60 or older, by providing meals or necessary services to maintain their home.

(Continued)

Debt Service Funds

The Debt Service Funds are used to account for retirement of the County's general obligation bonds, special assessment bonds and loans other than those financed by proprietary funds.

Bond Retirement Fund

The fund accounts for the retirement of the principal and interest of the outstanding debt of the County.

Ohio Water Development Authority (OWDA) Fund

The fund accounts for revenue received from special assessment money to repay the OWDA loan used to construct a water tower at Apple Valley.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Permanent Improvement Fund

The fund accounts for revenues that will be used for capital improvements to County owned buildings.

Dog and Kennel Equipment Fund

The fund accounts for expenses to equip and furnish a Dog Pound.

Issue II Fund

The fund accounts for road and bridge construction projects, partially funded by State grants from the Ohio Public Works Commission. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Sewer Construction Fund

The fund accounts for investment income from original Apple Valley Sewer project money. The expenditures are for the improvements projects at Apple Valley. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Capital Projects Funds

Community Development Block Grant Fund

Revenue is received from the federal government and is used for major construction projects

Fredericktown Sewer Project Fund

The fund accounts for a Community Development Block Grant to construct sewer and water lines near Fredericktown Village.

Engineering Projects Fund

The fund was established for State matching engineering projects for bridge replacement. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Industrial Site Improvement Fund

The fund accounts for a grant with the sole purpose of improving an existing factory. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,066,640	\$ 576,791	\$ 385,376	\$ 5,028,807
Cash and Cash Equivalents in Segregated Accounts	86,852	0	0	86,852
Receivables:				
Taxes	2,108,769	0	0	2,108,769
Accounts	35,294	0	0	35,294
Intergovernmental	588,244	0	836,524	1,424,768
Interest	235	0	43	278
Special Assessments	10,401	0	0	10,401
Loans	89,764	0	0	89,764
Due from Other Funds	0	127,476	0	127,476
Interfund Receivable	9,500	0	0	9,500
Prepaid Items	2,734	0	0	2,734
Total Assets	\$ 6,998,433	\$ 704,267	\$ 1,221,943	\$ 8,924,643
Liabilities:				
Accounts Payable	\$ 30,645	\$ 0	\$ 39,549	\$ 70,194
Accrued Wages and Benefits Payable	79,805	0	0	79,805
Intergovernmental Payable	58,313	0	0	58,313
Contracts Payable	21,984	0	6,220	28,204
Matured Bonds and Interest Payable	0	48,379	0	48,379
Due to Other Funds	13,940	0	0	13,940
Interfund Payable	9,500	0	0	9,500
Deferred Revenue	2,523,471	0	760,224	3,283,695
Total Liabilities	2,737,658	48,379	805,993	3,592,030
Fund Balances:				
Reserved for Encumbrances	280,224	0	4,364	284,588
Reserved for Debt Service	0	655,888	0	655,888
Reserved for Loans Receivable	89,764	0	0	89,764
Unreserved, Undesignated in:				
Special Revenue Funds	3,890,787	0	0	3,890,787
Capital Projects Funds	0	0	411,586	411,586
Total Fund Balances	4,260,775	655,888	415,950	5,332,613
Total Liabilities and Fund Balances	\$ 6,998,433	\$ 704,267	\$ 1,221,943	\$ 8,924,643

KNOX COUNTY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 2,901,642	\$ 0	\$ 0	\$ 2,901,642
Intergovernmental Revenues	2,041,903	0	2,342,900	4,384,803
Charges for Services	1,138,547	0	0	1,138,547
Licenses and Permits	115,335	0	0	115,335
Investment Earnings	6,210	0	200	6,410
Special Assessments	11,743	18,195	0	29,938
Fines and Forfeitures	6,948	0	0	6,948
All Other Revenue	431,922	204,607	778	637,307
Total Revenue	6,654,250	222,802	2,343,878	9,220,930
Expenditures:				
Current:				
General Government				
Legislative and Executive	1,063,979	0	0	1,063,979
Judicial	264,660	0	0	264,660
Public Safety	2,156,754	0	0	2,156,754
Public Works	205,716	0	0	205,716
Health	225,173	0	0	225,173
Human Services	987,682	0	0	987,682
Intergovernmental	1,651,020	0	0	1,651,020
Capital Outlay	4,794	0	3,142,284	3,147,078
Debt Service:				
Principal Retirement	0	590,000	0	590,000
Interest and Fiscal Charges	0	518,789	0	518,789
Total Expenditures	6,559,778	1,108,789	3,142,284	10,810,851
Excess (Deficiency) of Revenues Over Expenditures	94,472	(885,987)	(798,406)	(1,589,921)
Other Financing Sources (Uses):				
Transfers In	390,869	905,769	51,385	1,348,023
Transfers Out	(200,569)	0	(54,396)	(254,965)
Total Other Financing Sources (Uses)	190,300	905,769	(3,011)	1,093,058
Net Change in Fund Balances	284,772	19,782	(801,417)	(496,863)
Fund Balances at Beginning of Year	3,976,003	636,106	1,217,367	5,829,476
Fund Balances End of Year	\$ 4,260,775	\$ 655,888	\$ 415,950	\$ 5,332,613

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	<u>Dog and Kennel</u>	<u>Indigent Guardianship</u>	<u>Conduct of Business</u>	<u>Courts Computer</u>
Assets:				
Cash and Cash Equivalents	\$ 189,416	\$ 6,341	\$ 359	\$ 34,390
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	1,210	520	34	1,991
Intergovernmental	65	0	0	0
Interest	0	0	0	235
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 190,691</u>	<u>\$ 6,861</u>	<u>\$ 393</u>	<u>\$ 36,616</u>
Liabilities:				
Accounts Payable	\$ 4,535	\$ 137	\$ 0	\$ 0
Accrued Wages and Benefits Payable	3,575	0	0	0
Intergovernmental Payable	2,448	0	0	0
Contracts Payable	1,342	0	0	375
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>11,900</u>	<u>137</u>	<u>0</u>	<u>375</u>
Fund Balances:				
Reserved for Encumbrances	2,775	0	0	207
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	176,016	6,724	393	36,034
Total Fund Balances	<u>178,791</u>	<u>6,724</u>	<u>393</u>	<u>36,241</u>
Total Liabilities and Fund Balances	<u>\$ 190,691</u>	<u>\$ 6,861</u>	<u>\$ 393</u>	<u>\$ 36,616</u>

KNOX COUNTY, OHIO

<u>Recorder's Equipment</u>	<u>Courts' Computer Research</u>	<u>Time Out Program</u>	<u>Court Security</u>	<u>Probate-Juvenile Special Project</u>	<u>Juvenile Court Social Workers</u>	<u>Automated Title Processing</u>
\$ 32,391	\$ 4,255	\$ 36	\$ 98	\$ 30,859	\$ 93,937	\$ 71,862
0	0	0	0	0	0	0
0	0	0	0	0	0	0
256	147	0	0	500	0	14,817
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	9,500	0
0	0	0	0	0	0	0
<u>\$ 32,647</u>	<u>\$ 4,402</u>	<u>\$ 36</u>	<u>\$ 98</u>	<u>\$ 31,359</u>	<u>\$ 103,437</u>	<u>\$ 86,679</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100
0	0	490	0	0	2,540	3,568
0	0	303	0	0	2,006	2,938
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>793</u>	<u>0</u>	<u>0</u>	<u>4,546</u>	<u>6,606</u>
0	0	0	0	0	0	316
0	0	0	0	0	0	0
<u>32,647</u>	<u>4,402</u>	<u>(757)</u>	<u>98</u>	<u>31,359</u>	<u>98,891</u>	<u>79,757</u>
<u>32,647</u>	<u>4,402</u>	<u>(757)</u>	<u>98</u>	<u>31,359</u>	<u>98,891</u>	<u>80,073</u>
<u>\$ 32,647</u>	<u>\$ 4,402</u>	<u>\$ 36</u>	<u>\$ 98</u>	<u>\$ 31,359</u>	<u>\$ 103,437</u>	<u>\$ 86,679</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Delinquent Tax Assessment Collection	VOCA and SVAA Grant	Marine Patrol Grant	Drug Abuse Resistance Education Grant
Assets:				
Cash and Cash Equivalents	\$ 365,135	\$ 13,073	\$ 3,577	\$ 13,660
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	1,000	0	0	0
Intergovernmental	0	21,148	0	26,208
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 366,135	\$ 34,221	\$ 3,577	\$ 39,868
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	1,852	1,160	0	0
Intergovernmental Payable	1,043	877	92	118
Contracts Payable	2,000	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	18,810	0	26,208
Total Liabilities	4,895	20,847	92	26,326
Fund Balances:				
Reserved for Encumbrances	2,357	85	0	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	358,883	13,289	3,485	13,542
Total Fund Balances	361,240	13,374	3,485	13,542
Total Liabilities and Fund Balances	\$ 366,135	\$ 34,221	\$ 3,577	\$ 39,868

KNOX COUNTY, OHIO

Common Pleas Jail Diversion Grant	Byrne Drug Court	911 Emergency Calling System	Litter Control and Recycling	Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant
\$ 4,646 0	\$ 2,880 0	\$ 1,590,718 0	\$ 20,960 0	\$ 170,330 0	\$ 976,082 0	\$ 134,459 0
0	0	206,611	0	0	0	0
0	0	0	0	11,256	0	0
25,552	41,102	2,583	966	0	0	50,861
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,734	0	0	0	0
<u>\$ 30,198</u>	<u>\$ 43,982</u>	<u>\$ 1,802,646</u>	<u>\$ 21,926</u>	<u>\$ 181,586</u>	<u>\$ 976,082</u>	<u>\$ 185,320</u>
\$ 465 1,689 1,271 0 0 0 12,776 16,201	\$ 4,208 802 446 0 0 9,500 41,102 56,058	\$ 5,640 33,581 24,208 0 0 0 106,426 169,855	\$ 3,700 408 304 0 0 0 966 5,378	\$ 3,807 15,974 11,342 0 13,940 0 0 45,063	\$ 0 6,317 4,709 11,717 0 0 0 22,743	\$ 852 4,786 3,563 0 0 0 25,352 34,553
0 0	0 0	3,674 0	1,893 0	35,451 0	215,416 0	0 0
13,997	(12,076)	1,629,117	14,655	101,072	737,923	150,767
13,997	(12,076)	1,632,791	16,548	136,523	953,339	150,767
<u>\$ 30,198</u>	<u>\$ 43,982</u>	<u>\$ 1,802,646</u>	<u>\$ 21,926</u>	<u>\$ 181,586</u>	<u>\$ 976,082</u>	<u>\$ 185,320</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Ditch Maintenance	Water Resource Study	Emergency Management Agency	Family Resources
Assets:				
Cash and Cash Equivalents	\$ 15,716	\$ 500	\$ 119,553	\$ 13,400
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	1,921	0
Intergovernmental	0	0	10,426	0
Interest	0	0	0	0
Special Assessments	10,401	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 26,117	\$ 500	\$ 131,900	\$ 13,400
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 1,852	\$ 1,211
Accrued Wages and Benefits Payable	0	0	1,647	0
Intergovernmental Payable	0	0	1,784	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	10,401	0	10,426	0
Total Liabilities	10,401	0	15,709	1,211
Fund Balances:				
Reserved for Encumbrances	0	0	2,409	348
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	15,716	500	113,782	11,841
Total Fund Balances	15,716	500	116,191	12,189
Total Liabilities and Fund Balances	\$ 26,117	\$ 500	\$ 131,900	\$ 13,400

KNOX COUNTY, OHIO

<u>Home</u>	<u>Marriage License</u>	<u>Help America Vote Act</u>	<u>Storm Water Management</u>	<u>Concealed Handgun License</u>	<u>WIA Programs</u>	<u>Flood Assistance</u>
\$ 7,609	\$ 7,799	\$ 2,209	\$ 18,042	\$ 15,832	\$ 89,742	\$ 191
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	1,026	0	0	185	0	0
320,850	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 328,459</u>	<u>\$ 8,825</u>	<u>\$ 2,209</u>	<u>\$ 18,042</u>	<u>\$ 16,017</u>	<u>\$ 89,742</u>	<u>\$ 191</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,138	\$ 0
0	0	0	559	0	0	0
0	0	0	281	0	0	0
5,500	0	0	0	1,050	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
284,461	0	0	0	0	0	0
<u>289,961</u>	<u>0</u>	<u>0</u>	<u>840</u>	<u>1,050</u>	<u>4,138</u>	<u>0</u>
4,209	7,799	0	0	3,250	0	0
0	0	0	0	0	0	0
<u>34,289</u>	<u>1,026</u>	<u>2,209</u>	<u>17,202</u>	<u>11,717</u>	<u>85,604</u>	<u>191</u>
<u>38,498</u>	<u>8,825</u>	<u>2,209</u>	<u>17,202</u>	<u>14,967</u>	<u>85,604</u>	<u>191</u>
<u>\$ 328,459</u>	<u>\$ 8,825</u>	<u>\$ 2,209</u>	<u>\$ 18,042</u>	<u>\$ 16,017</u>	<u>\$ 89,742</u>	<u>\$ 191</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Citizen Corps Program Grant	Supervision Fee	Parenting Seminar	Immobilized Vehicle
Assets:				
Cash and Cash Equivalents	\$ 19	\$ 5,303	\$ 516	\$ 532
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	431	0	0
Intergovernmental	9,031	0	0	0
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 9,050</u>	<u>\$ 5,734</u>	<u>\$ 516</u>	<u>\$ 532</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	36	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	9,031	0	0	0
Total Liabilities	<u>9,031</u>	<u>0</u>	<u>36</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	35	0	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	19	5,699	480	532
Total Fund Balances	<u>19</u>	<u>5,734</u>	<u>480</u>	<u>532</u>
Total Liabilities and Fund Balances	<u>\$ 9,050</u>	<u>\$ 5,734</u>	<u>\$ 516</u>	<u>\$ 532</u>

KNOX COUNTY, OHIO

<u>Intake Officer Grant</u>	<u>Commissary</u>	<u>Law Enforcement</u>	<u>Drug Enforcement</u>	<u>Revolving Loan</u>	<u>Calendar</u>	<u>Work Release</u>
\$ 10,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	8,591	1,397	9,946	65,633	145	1,138
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,020	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	89,764	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 18,233</u>	<u>\$ 8,591</u>	<u>\$ 1,397</u>	<u>\$ 9,946</u>	<u>\$ 155,397</u>	<u>\$ 145</u>	<u>\$ 1,138</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
857	0	0	0	0	0	0
544	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,020	0	0	0	0	0	0
<u>9,421</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	89,764	0	0
<u>8,812</u>	<u>8,591</u>	<u>1,397</u>	<u>9,946</u>	<u>65,633</u>	<u>145</u>	<u>1,138</u>
<u>8,812</u>	<u>8,591</u>	<u>1,397</u>	<u>9,946</u>	<u>155,397</u>	<u>145</u>	<u>1,138</u>
<u>\$ 18,233</u>	<u>\$ 8,591</u>	<u>\$ 1,397</u>	<u>\$ 9,946</u>	<u>\$ 155,397</u>	<u>\$ 145</u>	<u>\$ 1,138</u>

(Continued)

KNOX COUNTY, OHIO**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	Law Enforcement Cadets	Community Mental Health	Senior Citizens	Total Nonmajor Special Revenue Funds
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 4,066,640
Cash and Cash Equivalents in Segregated Accounts	2	0	0	86,852
Receivables:				
Taxes	0	1,025,329	876,829	2,108,769
Accounts	0	0	0	35,294
Intergovernmental	0	29,327	42,105	588,244
Interest	0	0	0	235
Special Assessments	0	0	0	10,401
Loans	0	0	0	89,764
Interfund Receivable	0	0	0	9,500
Prepaid Items	0	0	0	2,734
Total Assets	<u>\$ 2</u>	<u>\$ 1,054,656</u>	<u>\$ 918,934</u>	<u>\$ 6,998,433</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 30,645
Accrued Wages and Benefits Payable	0	0	0	79,805
Intergovernmental Payable	0	0	0	58,313
Contracts Payable	0	0	0	21,984
Due to Other Funds	0	0	0	13,940
Interfund Payable	0	0	0	9,500
Deferred Revenue	0	1,052,402	917,090	2,523,471
Total Liabilities	<u>0</u>	<u>1,052,402</u>	<u>917,090</u>	<u>2,737,658</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	280,224
Reserved for Loans Receivable	0	0	0	89,764
Unreserved, Undesignated in:				
Special Revenue Funds	2	2,254	1,844	3,890,787
Total Fund Balances	<u>2</u>	<u>2,254</u>	<u>1,844</u>	<u>4,260,775</u>
Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 1,054,656</u>	<u>\$ 918,934</u>	<u>\$ 6,998,433</u>



KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Dog and Kennel</u>	<u>Indigent Guardianship</u>	<u>Conduct of Business</u>	<u>Courts Computer</u>
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	20,916	7,263	383	28,976
Licenses and Permits	112,227	0	0	0
Investment Earnings	0	0	0	2,248
Special Assessments	0	0	0	0
Fines and Forfeitures	1,305	0	0	0
All Other Revenue	1,995	0	0	0
Total Revenue	<u>136,443</u>	<u>7,263</u>	<u>383</u>	<u>31,224</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	6,769	2,937	46,047
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	176,327	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>176,327</u>	<u>6,769</u>	<u>2,937</u>	<u>46,047</u>
Excess (Deficiency) of Revenues Over Expenditures	(39,884)	494	(2,554)	(14,823)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(39,884)	494	(2,554)	(14,823)
Fund Balances at Beginning of Year	<u>218,675</u>	<u>6,230</u>	<u>2,947</u>	<u>51,064</u>
Fund Balances End of Year	<u>\$ 178,791</u>	<u>\$ 6,724</u>	<u>\$ 393</u>	<u>\$ 36,241</u>

KNOX COUNTY, OHIO

<u>Recorder's Equipment</u>	<u>Courts' Computer Research</u>	<u>Time Out Program</u>	<u>Court Security</u>	<u>Probate-Juvenile Special Project</u>	<u>After Hours Probation</u>	<u>Juvenile Court Social Workers</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	38
58,236	2,462	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,540	0	0
0	0	6,004	0	3,600	4	105,805
<u>58,236</u>	<u>2,462</u>	<u>6,004</u>	<u>0</u>	<u>6,140</u>	<u>4</u>	<u>105,843</u>
60,163	0	0	0	0	0	0
0	1,119	0	0	0	0	0
0	0	14,905	0	1,915	0	129,921
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>60,163</u>	<u>1,119</u>	<u>14,905</u>	<u>0</u>	<u>1,915</u>	<u>0</u>	<u>129,921</u>
(1,927)	1,343	(8,901)	0	4,225	4	(24,078)
0	0	8,000	0	0	0	7,329
0	0	0	0	0	(44)	(3,800)
0	0	8,000	0	0	(44)	3,529
(1,927)	1,343	(901)	0	4,225	(40)	(20,549)
34,574	3,059	144	98	27,134	40	119,440
<u>\$ 32,647</u>	<u>\$ 4,402</u>	<u>\$ (757)</u>	<u>\$ 98</u>	<u>\$ 31,359</u>	<u>\$ 0</u>	<u>\$ 98,891</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	Automated Title Processing	Delinquent Tax Assessment Collection	VOCA and SVAA Grant	Marine Patrol Grant
Revenues:				
Taxes	\$ 0	\$ 105,770	\$ 0	\$ 0
Intergovernmental Revenues	0	0	30,839	18,335
Charges for Services	211,716	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	2,906	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	71	10,467	9	5
Total Revenue	<u>211,787</u>	<u>119,143</u>	<u>30,848</u>	<u>18,340</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	94,388	37,869	0
Judicial	194,340	0	0	0
Public Safety	0	0	0	16,518
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>194,340</u>	<u>94,388</u>	<u>37,869</u>	<u>16,518</u>
Excess (Deficiency) of Revenues Over Expenditures	17,447	24,755	(7,021)	1,822
Other Financing Sources (Uses):				
Transfers In	0	0	9,167	0
Transfers Out	(100,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>0</u>	<u>9,167</u>	<u>0</u>
Net Change in Fund Balances	(82,553)	24,755	2,146	1,822
Fund Balances at Beginning of Year	<u>162,626</u>	<u>336,485</u>	<u>11,228</u>	<u>1,663</u>
Fund Balances End of Year	<u>\$ 80,073</u>	<u>\$ 361,240</u>	<u>\$ 13,374</u>	<u>\$ 3,485</u>

KNOX COUNTY, OHIO

<u>Drug Abuse Resistance Education Grant</u>	<u>Common Pleas Prison Reduction Grant</u>	<u>Common Pleas Jail Diversion Grant</u>	<u>Byrne Drug Court</u>	<u>911 Emergency Calling System</u>	<u>Child Abuse Prevention Grant</u>	<u>Litter Control and Recycling</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,345,139	\$ 0	\$ 0
25,372	0	51,104	62,871	123,924	17,045	47,706
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
14,045	0	16	16	516	0	272
<u>39,417</u>	<u>0</u>	<u>51,120</u>	<u>62,887</u>	<u>1,469,579</u>	<u>17,045</u>	<u>47,978</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
29,241	7	70,116	90,344	1,297,428	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	42,265
0	0	0	0	0	22,594	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>29,241</u>	<u>7</u>	<u>70,116</u>	<u>90,344</u>	<u>1,297,428</u>	<u>22,594</u>	<u>42,265</u>
10,176	(7)	(18,996)	(27,457)	172,151	(5,549)	5,713
0	0	13,073	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,285)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>13,073</u>	<u>(7,285)</u>	<u>0</u>	<u>0</u>	<u>0</u>
10,176	(7)	(5,923)	(34,742)	172,151	(5,549)	5,713
3,366	7	19,920	22,666	1,460,640	5,549	10,835
<u>\$ 13,542</u>	<u>\$ 0</u>	<u>\$ 13,997</u>	<u>\$ (12,076)</u>	<u>\$ 1,632,791</u>	<u>\$ 0</u>	<u>\$ 16,548</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant	Ditch Maintenance
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	418,155	0	184,823	0
Charges for Services	170,781	478,040	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	8,837
Fines and Forfeitures	0	0	0	0
All Other Revenue	8,789	0	42	7,000
Total Revenue	<u>597,725</u>	<u>478,040</u>	<u>184,865</u>	<u>15,837</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	320,955	0	0
Judicial	0	0	0	0
Public Safety	0	0	156,161	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	600,628	0	0	0
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	4,794
Total Expenditures	<u>600,628</u>	<u>320,955</u>	<u>156,161</u>	<u>4,794</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,903)	157,085	28,704	11,043
Other Financing Sources (Uses):				
Transfers In	50,000	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	47,097	157,085	28,704	11,043
Fund Balances at Beginning of Year	<u>89,426</u>	<u>796,254</u>	<u>122,063</u>	<u>4,673</u>
Fund Balances End of Year	<u>\$ 136,523</u>	<u>\$ 953,339</u>	<u>\$ 150,767</u>	<u>\$ 15,716</u>

KNOX COUNTY, OHIO

Water Resource Study	Emergency Management Agency	Family Resources	Home	Marriage License	Help America Vote Act	Storm Water Management
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	180,936	34,118	83,589	0	537,924	0
0	0	0	0	14,418	0	29,920
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,625	0	156	0	0	9
<u>0</u>	<u>184,561</u>	<u>34,118</u>	<u>83,745</u>	<u>14,418</u>	<u>537,924</u>	<u>29,929</u>
0	0	0	0	0	550,604	0
0	0	0	0	0	0	0
0	226,714	0	0	0	0	0
0	0	0	0	0	0	12,907
0	0	0	0	6,581	0	0
0	0	30,619	54,887	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>226,714</u>	<u>30,619</u>	<u>54,887</u>	<u>6,581</u>	<u>550,604</u>	<u>12,907</u>
0	(42,153)	3,499	28,858	7,837	(12,680)	17,022
0	41,000	8,500	0	0	0	0
<u>0</u>	<u>(11,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,440)</u>
<u>0</u>	<u>30,000</u>	<u>8,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,440)</u>
0	(12,153)	11,999	28,858	7,837	(12,680)	(4,418)
500	128,344	190	9,640	988	14,889	21,620
<u>\$ 500</u>	<u>\$ 116,191</u>	<u>\$ 12,189</u>	<u>\$ 38,498</u>	<u>\$ 8,825</u>	<u>\$ 2,209</u>	<u>\$ 17,202</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	Concealed Handgun License	WIA Programs	Flood Assistance	Citizen Corps Program Grant
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	5,851
Charges for Services	17,832	0	0	0
Licenses and Permits	3,108	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	259,173	0	0
Total Revenue	<u>20,940</u>	<u>259,173</u>	<u>0</u>	<u>5,851</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	12,080	0	0	5,957
Public Works	0	0	192,809	0
Health	0	0	0	0
Human Services	0	274,993	0	0
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>12,080</u>	<u>274,993</u>	<u>192,809</u>	<u>5,957</u>
Excess (Deficiency) of Revenues Over Expenditures	8,860	(15,820)	(192,809)	(106)
Other Financing Sources (Uses):				
Transfers In	0	0	250,000	0
Transfers Out	0	0	(57,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>193,000</u>	<u>0</u>
Net Change in Fund Balances	8,860	(15,820)	191	(106)
Fund Balances at Beginning of Year	<u>6,107</u>	<u>101,424</u>	<u>0</u>	<u>125</u>
Fund Balances End of Year	<u>\$ 14,967</u>	<u>\$ 85,604</u>	<u>\$ 191</u>	<u>\$ 19</u>

KNOX COUNTY, OHIO

<u>Supervision Fee</u>	<u>Parenting Seminar</u>	<u>Immobilized Vehicle</u>	<u>Intake Officer Grant</u>	<u>Commissary</u>	<u>Law Enforcement</u>	<u>Drug Abuse Resistance Education</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	18,867	0	0	0
9,541	6,150	532	0	74,156	0	0
0	0	0	0	0	0	0
0	0	0	0	0	11	1
0	0	0	0	0	0	0
0	0	0	0	0	3,003	100
0	0	0	0	0	0	0
<u>9,541</u>	<u>6,150</u>	<u>532</u>	<u>18,867</u>	<u>74,156</u>	<u>3,014</u>	<u>101</u>
0	0	0	0	0	0	0
7,478	5,970	0	0	0	0	0
0	0	0	13,855	71,532	1,948	4,133
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>7,478</u>	<u>5,970</u>	<u>0</u>	<u>13,855</u>	<u>71,532</u>	<u>1,948</u>	<u>4,133</u>
2,063	180	532	5,012	2,624	1,066	(4,032)
0	0	0	3,800	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,800</u>	<u>0</u>	<u>0</u>	<u>0</u>
2,063	180	532	8,812	2,624	1,066	(4,032)
<u>3,671</u>	<u>300</u>	<u>0</u>	<u>0</u>	<u>5,967</u>	<u>331</u>	<u>4,032</u>
<u>\$ 5,734</u>	<u>\$ 480</u>	<u>\$ 532</u>	<u>\$ 8,812</u>	<u>\$ 8,591</u>	<u>\$ 1,397</u>	<u>\$ 0</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	Drug Enforcement	Revolving Loan	Calendar	Work Release
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	7,225
Licenses and Permits	0	0	0	0
Investment Earnings	28	3,921	1	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	1,750	8,553	0	0
Total Revenue	<u>1,778</u>	<u>12,474</u>	<u>1</u>	<u>7,225</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	0	0	7,425
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	3,961	0	0
Intergovernmental	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>3,961</u>	<u>0</u>	<u>7,425</u>
Excess (Deficiency) of Revenues Over Expenditures	1,778	8,513	1	(200)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	1,778	8,513	1	(200)
Fund Balances at Beginning of Year	<u>8,168</u>	<u>146,884</u>	<u>144</u>	<u>1,338</u>
Fund Balances End of Year	<u>\$ 9,946</u>	<u>\$ 155,397</u>	<u>\$ 145</u>	<u>\$ 1,138</u>

KNOX COUNTY, OHIO

Law Enforcement Cadets	Web Check	Community Mental Health	Senior Citizens	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 635,146	\$ 815,587	\$ 2,901,642
0	0	88,648	111,758	2,041,903
0	0	0	0	1,138,547
0	0	0	0	115,335
0	0	0	0	6,210
0	0	0	0	11,743
0	0	0	0	6,948
0	0	0	0	431,922
<u>0</u>	<u>0</u>	<u>723,794</u>	<u>927,345</u>	<u>6,654,250</u>
0	0	0	0	1,063,979
0	0	0	0	264,660
1,302	5,252	0	0	2,156,754
0	0	0	0	205,716
0	0	0	0	225,173
0	0	0	0	987,682
0	0	723,228	927,792	1,651,020
0	0	0	0	4,794
<u>1,302</u>	<u>5,252</u>	<u>723,228</u>	<u>927,792</u>	<u>6,559,778</u>
(1,302)	(5,252)	566	(447)	94,472
0	0	0	0	390,869
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(200,569)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>190,300</u>
(1,302)	(5,252)	566	(447)	284,772
<u>1,304</u>	<u>5,252</u>	<u>1,688</u>	<u>2,291</u>	<u>3,976,003</u>
<u>\$ 2</u>	<u>\$ 0</u>	<u>\$ 2,254</u>	<u>\$ 1,844</u>	<u>\$ 4,260,775</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2006**

	Bond Retirement	Ohio Water Development Authority	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	\$ 576,611	\$ 180	\$ 576,791
Due from Other Funds	127,476	0	127,476
Total Assets	<u>\$ 704,087</u>	<u>\$ 180</u>	<u>\$ 704,267</u>
Liabilities:			
Matured Bonds and Interest Payable	\$ 48,379	\$ 0	\$ 48,379
Total Liabilities	<u>48,379</u>	<u>0</u>	<u>48,379</u>
Fund Balances:			
Reserved for Debt Service	655,708	180	655,888
Total Fund Balances	<u>655,708</u>	<u>180</u>	<u>655,888</u>
Total Liabilities and Fund Balances	<u>\$ 704,087</u>	<u>\$ 180</u>	<u>\$ 704,267</u>

KNOX COUNTY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2006**

	Bond Retirement	Ohio Water Development Authority	Total Nonmajor Debt Service Funds
Revenues:			
Special Assessments	\$ 18,195	\$ 0	\$ 18,195
All Other Revenue	204,607	0	204,607
Total Revenue	<u>222,802</u>	<u>0</u>	<u>222,802</u>
Expenditures:			
Debt Service:			
Principal Retirement	590,000	0	590,000
Interest and Fiscal Charges	518,789	0	518,789
Total Expenditures	<u>1,108,789</u>	<u>0</u>	<u>1,108,789</u>
Excess (Deficiency) of Revenues Over Expenditures	(885,987)	0	(885,987)
Other Financing Sources (Uses):			
Transfers In	905,769	0	905,769
Total Other Financing Sources (Uses)	<u>905,769</u>	<u>0</u>	<u>905,769</u>
Net Change in Fund Balances	19,782	0	19,782
Fund Balances at Beginning of Year	<u>635,926</u>	<u>180</u>	<u>636,106</u>
Fund Balances End of Year	<u>\$ 655,708</u>	<u>\$ 180</u>	<u>\$ 655,888</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006**

	Permanent Improvement	Dog and Kennel Equipment	Community Development Block Grant
Assets:			
Cash and Cash Equivalents	\$ 361,647	\$ 791	\$ 16,144
Receivables:			
Intergovernmental	0	0	836,524
Interest	0	0	43
Total Assets	<u>\$ 361,647</u>	<u>\$ 791</u>	<u>\$ 852,711</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 39,549
Contracts Payable	0	0	6,220
Deferred Revenue	0	0	760,224
Total Liabilities	<u>0</u>	<u>0</u>	<u>805,993</u>
Fund Balances:			
Reserved for Encumbrances	2,213	0	2,151
Unreserved, Undesignated in :			
Capital Projects Funds	359,434	791	44,567
Total Fund Balances	<u>361,647</u>	<u>791</u>	<u>46,718</u>
Total Liabilities and Fund Balances	<u>\$ 361,647</u>	<u>\$ 791</u>	<u>\$ 852,711</u>

KNOX COUNTY, OHIO

<u>Fredericktown Sewer Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 6,794	\$ 385,376
0	836,524
<u>0</u>	<u>43</u>
<u>\$ 6,794</u>	<u>\$ 1,221,943</u>
\$ 0	\$ 39,549
0	6,220
<u>0</u>	<u>760,224</u>
<u>0</u>	<u>805,993</u>
0	4,364
<u>6,794</u>	<u>411,586</u>
<u>6,794</u>	<u>415,950</u>
<u>\$ 6,794</u>	<u>\$ 1,221,943</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006***

	Permanent Improvement	Dog and Kennel Equipment	Issue II
Revenues:			
Intergovernmental Revenues	\$ 449,576	\$ 0	\$ 658,294
Investment Earnings	0	0	0
All Other Revenue	0	778	0
Total Revenue	<u>449,576</u>	<u>778</u>	<u>658,294</u>
Expenditures:			
Capital Outlay	<u>1,256,237</u>	<u>5,700</u>	<u>658,294</u>
Total Expenditures	<u>1,256,237</u>	<u>5,700</u>	<u>658,294</u>
Excess (Deficiency) of Revenues Over Expenditures	(806,661)	(4,922)	0
Other Financing Sources (Uses):			
Transfers In	0	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(806,661)	(4,922)	0
Fund Balances at Beginning of Year	<u>1,168,308</u>	<u>5,713</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 361,647</u>	<u>\$ 791</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

Sewer Construction	Community Development Block Grant	Fredericktown Sewer Project	Engineering Projects	Industrial Site Improvement	Total Nonmajor Capital Project Funds
\$ 0	\$ 305,785	\$ 0	\$ 168,635	\$ 760,610	\$ 2,342,900
0	200	0	0	0	200
0	0	0	0	0	778
0	305,985	0	168,635	760,610	2,343,878
430	290,993	0	168,635	761,995	3,142,284
430	290,993	0	168,635	761,995	3,142,284
(430)	14,992	0	0	(1,385)	(798,406)
0	0	0	0	51,385	51,385
(4,396)	0	0	0	(50,000)	(54,396)
(4,396)	0	0	0	1,385	(3,011)
(4,826)	14,992	0	0	0	(801,417)
4,826	31,726	6,794	0	0	1,217,367
\$ 0	\$ 46,718	\$ 6,794	\$ 0	\$ 0	\$ 415,950

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,652,400	\$ 7,721,748	\$ 8,016,353	\$ 294,605
Intergovernmental Revenues	1,542,911	1,542,911	1,639,249	96,338
Charges for Services	1,959,306	1,959,306	1,727,621	(231,685)
Licenses and Permits	5,850	5,850	4,759	(1,091)
Investment Earnings	641,600	641,600	1,115,382	473,782
Fines and Forfeitures	53,000	53,000	68,305	15,305
All Other Revenues	797,375	797,375	640,111	(157,264)
Total Revenues	12,652,442	12,721,790	13,211,780	489,990
Expenditures:				
General Government - Legislative and Executive:				
Commissioners:				
Personal Services	279,117	273,069	254,105	18,964
Materials and Supplies	200,350	150,350	135,898	14,452
Contractual Services	185,275	153,025	141,192	11,833
Other Expenditures	521,613	571,771	567,103	4,668
Total Commissioners	1,186,355	1,148,215	1,098,298	49,917
County Microfilming:				
Personal Services	23,925	23,924	23,845	79
Other Expenditures	5,000	5,000	4,582	418
Capital Outlay	1,500	1,500	0	1,500
Total County Microfilming	30,425	30,424	28,427	1,997
Safe/Loss:				
Personal Services	47,300	47,970	46,260	1,710
Materials and Supplies	1,900	1,900	1,611	289
Contractual Services	950	100	84	16
Other Expenditures	1,035	1,885	1,361	524
Total Safe/Loss	51,185	51,855	49,316	2,539
Regional Planning Commission:				
Contractual Services	57,785	57,785	57,785	0
Total Regional Planning Commission	57,785	57,785	57,785	0
Auditor:				
Personal Services	186,754	185,755	184,912	843
Materials and Supplies	14,586	10,785	10,346	439
Contractual Services	30,433	36,508	36,469	39
Other Expenditures	4,500	6,300	6,231	69
Total Auditor	236,273	239,348	237,958	1,390

(Continued)

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Treasurer:				
Personal Services	156,366	154,965	154,955	10
Materials and Supplies	6,989	6,989	6,857	132
Contractual Services	9,383	8,141	8,141	0
Other Expenditures	23,431	28,332	28,332	0
Total Treasurer	196,169	198,427	198,285	142
Prosecuting Attorney:				
Personal Services	327,701	327,740	326,360	1,380
Materials and Supplies	5,000	6,000	5,914	86
Contractual Services	57,655	57,655	44,493	13,162
Other Expenditures	10,551	9,551	5,668	3,883
Total Prosecuting Attorney	400,907	400,946	382,435	18,511
Bureau of Inspection:				
Contractual Services	114,762	114,762	109,761	5,001
Total Bureau of Inspection	114,762	114,762	109,761	5,001
Data Processing Board:				
Contractual Services	125,295	125,295	97,575	27,720
Total Data Processing Board	125,295	125,295	97,575	27,720
Board of Elections:				
Personal Services	215,565	267,715	266,551	1,164
Materials and Supplies	11,000	24,000	23,778	222
Contractual Services	29,031	73,481	73,220	261
Other Expenditures	5,500	9,648	5,693	3,955
Total Board of Elections	261,096	374,844	369,242	5,602
Maintenance and Operation:				
Personal Services	209,400	211,400	179,910	31,490
Materials and Supplies	69,140	86,140	80,570	5,570
Contractual Services	794,203	799,203	593,564	205,639
Other Expenditures	101,053	89,053	38,911	50,142
Total Maintenance and Operation	1,173,796	1,185,796	892,955	292,841
Corporate Center - Maintenance and Operation:				
Personal Services	88,400	88,400	73,339	15,061
Materials and Supplies	12,794	12,794	3,508	9,286
Contractual Services	32,683	32,683	18,096	14,587
Other Expenditures	950	2,950	901	2,049
Total Corporate Center - Maintenance and Operation	134,827	136,827	95,844	40,983

(Continued)

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Air Navigation and Facilities:				
Personal Services	81,100	81,100	75,753	5,347
Total Air Navigation and Facilities	81,100	81,100	75,753	5,347
Recorder:				
Personal Services	154,921	154,921	136,181	18,740
Materials and Supplies	6,650	5,274	4,812	462
Contractual Services	13,000	14,376	12,667	1,709
Other Expenditures	1,900	1,900	1,669	231
Total Recorder	176,471	176,471	155,329	21,142
Insurance, Pension and Taxes:				
Contractual Services	1,584,500	1,584,500	1,293,236	291,264
Total Insurance, Pension and Taxes	1,584,500	1,584,500	1,293,236	291,264
Agriculture:				
Contractual Services	533,503	533,503	523,803	9,700
Total Agriculture	533,503	533,503	523,803	9,700
Total General Government - Legislative and Executive	6,344,449	6,440,098	5,666,002	774,096
General Government - Judicial:				
Court of Appeals:				
Contractual Services	10,000	10,000	6,400	3,600
Total Court of Appeals	10,000	10,000	6,400	3,600
Common Pleas Court:				
Personal Services	365,060	362,350	357,335	5,015
Materials and Supplies	9,075	10,575	10,112	463
Contractual Services	16,260	19,970	18,987	983
Other Expenditures	13,900	15,614	15,050	564
Total Common Pleas Court	404,295	408,509	401,484	7,025
Jury Commission:				
Personal Services	1,500	1,500	1,500	0
Contractual Services	519	519	40	479
Total Jury Commission	2,019	2,019	1,540	479
Juvenile Court:				
Personal Services	50	0	0	0
Materials and Supplies	4,500	4,500	3,895	605
Contractual Services	6,978	3,809	3,809	0
Other Expenditures	8,995	4,795	4,752	43
Total Juvenile Court	20,523	13,104	12,456	648

(Continued)

KNOX COUNTY, OHIO***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Juvenile Probation:				
Personal Services	334,200	350,695	349,546	1,149
Materials and Supplies	10,000	8,000	7,951	49
Contractual Services	269,636	294,801	294,185	616
Other Expenditures	25,000	25,000	25,000	0
Total Juvenile Probation	<u>638,836</u>	<u>678,496</u>	<u>676,682</u>	<u>1,814</u>
Probate Court:				
Personal Services	122,010	121,310	109,869	11,441
Materials and Supplies	5,093	5,793	5,792	1
Contractual Services	14,100	14,100	13,631	469
Other Expenditures	3,179	3,179	3,096	83
Total Probate Court	<u>144,382</u>	<u>144,382</u>	<u>132,388</u>	<u>11,994</u>
Clerk of Courts:				
Personal Services	246,491	246,491	241,274	5,217
Materials and Supplies	12,076	12,076	11,783	293
Contractual Services	11,876	11,876	9,782	2,094
Other Expenditures	3,245	3,245	2,537	708
Total Clerk of Courts	<u>273,688</u>	<u>273,688</u>	<u>265,376</u>	<u>8,312</u>
Municipal Court:				
Personal Services	84,650	87,117	85,997	1,120
Contractual Services	13,605	13,605	13,518	87
Total Municipal Court	<u>98,255</u>	<u>100,722</u>	<u>99,515</u>	<u>1,207</u>
Law Library:				
Personal Services	5,900	5,900	943	4,957
Other Expenditures	1,000	1,000	0	1,000
Total Law Library	<u>6,900</u>	<u>6,900</u>	<u>943</u>	<u>5,957</u>
Public Defender:				
Personal Services	293,845	363,809	361,112	2,697
Materials and Supplies	2,400	4,400	3,572	828
Contractual Services	9,393	28,609	20,971	7,638
Other Expenditures	95	495	0	495
Total Public Defender	<u>305,733</u>	<u>397,313</u>	<u>385,655</u>	<u>11,658</u>
Total General Government - Judicial	<u>1,904,631</u>	<u>2,035,133</u>	<u>1,982,439</u>	<u>52,694</u>

(Continued)

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Safety:				
Sheriff:				
Personal Services	1,590,148	1,612,801	1,602,633	10,168
Materials and Supplies	30,037	29,159	23,107	6,052
Contractual Services	81,010	70,612	68,331	2,281
Other Expenditures	101,332	156,308	134,935	21,373
Total Sheriff	<u>1,802,527</u>	<u>1,868,880</u>	<u>1,829,006</u>	<u>39,874</u>
Jail:				
Personal Services	1,219,300	1,255,647	1,255,629	18
Materials and Supplies	23,000	6,922	6,922	0
Contractual Services	463,126	418,647	408,560	10,087
Other Expenditures	13,000	3,076	3,076	0
Total Jail	<u>1,718,426</u>	<u>1,684,292</u>	<u>1,674,187</u>	<u>10,105</u>
Coroner:				
Personal Services	32,239	31,476	31,162	314
Materials and Supplies	100	0	0	0
Contractual Services	30,100	36,913	35,080	1,833
Other Expenditures	950	0	0	0
Total Coroner	<u>63,389</u>	<u>68,389</u>	<u>66,242</u>	<u>2,147</u>
Total Public Safety	<u>3,584,342</u>	<u>3,621,561</u>	<u>3,569,435</u>	<u>52,126</u>
Public Works				
Map Department:				
Personal Services	114,000	114,000	113,196	804
Materials and Supplies	4,000	4,000	3,217	783
Total Map Department	<u>118,000</u>	<u>118,000</u>	<u>116,413</u>	<u>1,587</u>
Buildings and Grounds:				
Contractual Services	300,865	300,865	186,518	114,347
Total Buildings and Grounds	<u>300,865</u>	<u>300,865</u>	<u>186,518</u>	<u>114,347</u>
Total Public Works	<u>418,865</u>	<u>418,865</u>	<u>302,931</u>	<u>115,934</u>
Health:				
Vital Statistics:				
Other Expenditures	1,200	1,200	766	434
Total Vital Statistics	<u>1,200</u>	<u>1,200</u>	<u>766</u>	<u>434</u>

(Continued)

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Health:				
Other Expenditures	<u>98,000</u>	<u>98,000</u>	<u>97,054</u>	<u>946</u>
Total Other Health	<u>98,000</u>	<u>98,000</u>	<u>97,054</u>	<u>946</u>
Humane Society:				
Personal Services	9,700	9,200	7,151	2,049
Materials and Supplies	950	950	0	950
Contractual Services	0	3,000	2,106	894
Other Expenditures	<u>6,899</u>	<u>4,399</u>	<u>4,104</u>	<u>295</u>
Total Humane Society	<u>17,549</u>	<u>17,549</u>	<u>13,361</u>	<u>4,188</u>
Animal Control Officer:				
Personal Services	40,080	50,173	47,476	2,697
Other Expenditures	<u>2,500</u>	<u>2,280</u>	<u>1,530</u>	<u>750</u>
Total Animal Control Officer	<u>42,580</u>	<u>52,453</u>	<u>49,006</u>	<u>3,447</u>
Total Health	<u>159,329</u>	<u>169,202</u>	<u>160,187</u>	<u>9,015</u>
Human Services:				
Children's Home:				
Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Children's Home	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Soldiers Relief:				
Personal Services	37,886	33,866	32,710	1,156
Materials and Supplies	15,000	18,000	17,050	950
Contractual Services	<u>256,474</u>	<u>214,666</u>	<u>181,561</u>	<u>33,105</u>
Total Soldiers Relief	<u>309,360</u>	<u>266,532</u>	<u>231,321</u>	<u>35,211</u>
Veterans Relief:				
Personal Services	206,625	191,454	177,353	14,101
Contractual Services	18,500	9,266	8,432	834
Other Expenditures	<u>5,559</u>	<u>5,559</u>	<u>5,260</u>	<u>299</u>
Total Veterans Relief	<u>230,684</u>	<u>206,279</u>	<u>191,045</u>	<u>15,234</u>
Total Human Services	<u>640,044</u>	<u>572,811</u>	<u>522,366</u>	<u>50,445</u>

(Continued)

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Conservation and Recreation:				
Bike Path:				
Contractual Services	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Total Conservation and Recreation	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Capital Outlay	<u>599,493</u>	<u>665,393</u>	<u>413,461</u>	<u>251,932</u>
Total Expenditures	<u>13,660,153</u>	<u>13,932,063</u>	<u>12,616,821</u>	<u>1,315,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,007,711)	(1,210,273)	594,959	1,805,232
Other Financing Sources (Uses):				
Other Financing Uses	(264,458)	(209,285)	(119,856)	89,429
Transfers In	110,000	110,000	226,880	116,880
Transfers Out	<u>(888,560)</u>	<u>(1,141,173)</u>	<u>(1,138,645)</u>	<u>2,528</u>
Total Other Financing Sources (Uses)	<u>(1,043,018)</u>	<u>(1,240,458)</u>	<u>(1,031,621)</u>	<u>208,837</u>
Net Change in Fund Balance	(2,050,729)	(2,450,731)	(436,662)	2,014,069
Fund Balance at Beginning of Year	2,053,189	2,053,189	2,053,189	0
Prior Year Encumbrances	<u>408,553</u>	<u>408,553</u>	<u>408,553</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 411,013</u>	<u>\$ 11,011</u>	<u>\$ 2,025,080</u>	<u>\$ 2,014,069</u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PUBLIC ASSISTANCE FUND				
Revenues:				
Intergovernmental Revenues	\$ 5,200,000	\$ 5,200,000	\$ 6,003,957	\$ 803,957
All Other Revenues	750,000	750,000	196,931	(553,069)
Total Revenues	<u>5,950,000</u>	<u>5,950,000</u>	<u>6,200,888</u>	<u>250,888</u>
Expenditures:				
Human Services:				
Personal Services	2,888,735	2,936,776	2,840,660	96,116
Materials and Supplies	198,456	198,056	100,567	97,889
Contractual Services	3,112,382	3,236,382	2,384,092	852,290
Other Expenditures	829,383	595,242	393,580	201,662
Capital Outlay	110,272	172,772	150,070	22,702
Total Expenditures	<u>7,139,228</u>	<u>7,139,228</u>	<u>5,868,969</u>	<u>1,270,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,189,228)	(1,189,228)	331,919	1,521,147
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(377,189)</u>	<u>72,811</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(177,189)</u>	<u>72,811</u>
Net Change in Fund Balance	(1,439,228)	(1,439,228)	154,730	1,593,958
Fund Balance at Beginning of Year	835,023	835,023	835,023	0
Prior Year Encumbrances	<u>604,230</u>	<u>604,230</u>	<u>604,230</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 1,593,983</u>	<u>\$ 1,593,958</u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MOTOR VEHICLE AND GASOLINE TAX FUND				
Revenues:				
Intergovernmental Revenues	\$ 5,250,000	\$ 5,250,000	\$ 4,972,541	\$ (277,459)
Charges for Services	18,000	18,000	6,999	(11,001)
Investment Earnings	10,000	10,000	19,041	9,041
Fines and Forfeitures	11,000	11,000	11,418	418
All Other Revenues	61,000	61,000	41,226	(19,774)
Total Revenues	<u>5,350,000</u>	<u>5,350,000</u>	<u>5,051,225</u>	<u>(298,775)</u>
Expenditures:				
Public Works:				
Personal Services	2,021,091	2,018,577	1,929,873	88,704
Materials and Supplies	995,460	893,327	825,550	67,777
Contractual Services	2,087,530	2,247,189	1,961,116	286,073
Other Expenditures	56,087	42,272	41,660	612
Intergovernmental	64,000	64,661	64,661	0
Capital Outlay	257,500	247,839	186,408	61,431
Total Expenditures	<u>5,481,668</u>	<u>5,513,865</u>	<u>5,009,268</u>	<u>504,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,668)	(163,865)	41,957	205,822
Fund Balance at Beginning of Year	32,198	32,198	32,198	0
Prior Year Encumbrances	131,668	131,668	131,668	0
Fund Balance at End of Year	<u>\$ 32,198</u>	<u>\$ 1</u>	<u>\$ 205,823</u>	<u>\$ 205,822</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2006***

CHILDREN SERVICES BOARD FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 928,800	\$ 928,800	\$ 942,211	\$ 13,411
Intergovernmental Revenues	926,000	624,000	980,541	356,541
Charges for Services	180,100	180,100	146,264	(33,836)
All Other Revenues	5,500	5,500	6,279	779
Total Revenues	<u>2,040,400</u>	<u>1,738,400</u>	<u>2,075,295</u>	<u>336,895</u>
Expenditures:				
Human Services:				
Personal Services	865,000	865,000	804,709	60,291
Materials and Supplies	28,952	28,952	3,097	25,855
Contractual Services	1,022,450	1,022,450	489,689	532,761
Other Expenditures	507,557	505,557	361,850	143,707
Capital Outlay	35,600	35,600	575	35,025
Total Expenditures	<u>2,459,559</u>	<u>2,457,559</u>	<u>1,659,920</u>	<u>797,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(419,159)	(719,159)	415,375	1,134,534
Other Financing Sources (Uses):				
Advances Out	(300,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(719,159)	(719,159)	415,375	1,134,534
Fund Balance at Beginning of Year	2,912,089	2,912,089	2,912,089	0
Prior Year Encumbrances	21,059	21,059	21,059	0
Fund Balance at End of Year	<u>\$ 2,213,989</u>	<u>\$ 2,213,989</u>	<u>\$ 3,348,523</u>	<u>\$ 1,134,534</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2006***

MENTAL RETARDATION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,329,960	\$ 1,329,960	\$ 1,358,958	\$ 28,998
Intergovernmental Revenues	3,816,439	3,816,439	3,218,772	(597,667)
All Other Revenues	1,084,654	1,084,654	109,043	(975,611)
Total Revenues	<u>6,231,053</u>	<u>6,231,053</u>	<u>4,686,773</u>	<u>(1,544,280)</u>
Expenditures:				
Human Services:				
Personal Services	4,476,902	4,319,071	2,783,195	1,535,876
Materials and Supplies	171,532	117,856	80,188	37,668
Contractual Services	2,690,824	2,770,260	1,182,604	1,587,656
Other Expenditures	2,074	2,074	908	1,166
Capital Outlay	44,413	41,413	10,220	31,193
Total Expenditures	<u>7,385,745</u>	<u>7,250,674</u>	<u>4,057,115</u>	<u>3,193,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,154,692)	(1,019,621)	629,658	1,649,279
Other Financing Sources (Uses):				
Transfers In	0	0	126,571	126,571
Transfers Out	0	(135,071)	(135,071)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(135,071)</u>	<u>(8,500)</u>	<u>126,571</u>
Net Change in Fund Balance	(1,154,692)	(1,154,692)	621,158	1,775,850
Fund Balance at Beginning of Year	1,102,865	1,102,865	1,102,865	0
Prior Year Encumbrances	124,633	124,633	124,633	0
Fund Balance at End of Year	<u>\$ 72,806</u>	<u>\$ 72,806</u>	<u>\$ 1,848,656</u>	<u>\$ 1,775,850</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
DOG AND KENNEL FUND				
Revenues:				
Charges for Services	\$ 16,200	\$ 16,200	\$ 20,916	\$ 4,716
Licenses and Permits	120,100	120,100	111,607	(8,493)
Fines and Forfeitures	1,000	1,000	1,365	365
All Other Revenues	400	400	1,995	1,595
Total Revenues	<u>137,700</u>	<u>137,700</u>	<u>135,883</u>	<u>(1,817)</u>
Expenditures:				
Health:				
Personal Services	103,550	101,250	88,693	12,557
Materials and Supplies	6,325	14,625	14,012	613
Contractual Services	31,900	36,100	25,537	10,563
Other Expenditures	14,476	20,976	18,813	2,163
Capital Outlay	35,000	32,300	30,539	1,761
Total Expenditures	<u>191,251</u>	<u>205,251</u>	<u>177,594</u>	<u>27,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,551)	(67,551)	(41,711)	25,840
Fund Balance at Beginning of Year	221,835	221,835	221,835	0
Prior Year Encumbrances	3,126	3,126	3,126	0
Fund Balance at End of Year	<u>\$ 171,410</u>	<u>\$ 157,410</u>	<u>\$ 183,250</u>	<u>\$ 25,840</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

INDIGENT GUARDIANSHIP FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 7,500	\$ 7,500	\$ 7,293	\$ (207)
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>7,293</u>	<u>(207)</u>
Expenditures:				
General Government - Judicial:				
Contractual Services	12,980	12,980	7,432	5,548
Other Expenditures	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>13,980</u>	<u>13,980</u>	<u>7,432</u>	<u>6,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,480)	(6,480)	(139)	6,341
Fund Balance at Beginning of Year	<u>6,480</u>	<u>6,480</u>	<u>6,480</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,341</u>	<u>\$ 6,341</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 450	\$ 450	\$ 396	\$ (54)
Total Revenues	<u>450</u>	<u>450</u>	<u>396</u>	<u>(54)</u>
Expenditures:				
General Government - Judicial:				
Other Expenditures	<u>3,350</u>	<u>3,350</u>	<u>2,937</u>	<u>413</u>
Total Expenditures	<u>3,350</u>	<u>3,350</u>	<u>2,937</u>	<u>413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,900)	(2,900)	(2,541)	359
Fund Balance at Beginning of Year	<u>2,900</u>	<u>2,900</u>	<u>2,900</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 359</u>	<u>\$ 359</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

COURTS COMPUTER FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 30,750	\$ 30,750	\$ 29,229	\$ (1,521)
Investment Earnings	1,100	1,100	2,179	1,079
Total Revenues	<u>31,850</u>	<u>31,850</u>	<u>31,408</u>	<u>(442)</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	904	904	0	904
Contractual Services	9,353	9,353	4,714	4,639
Other Expenditures	31,544	31,544	13,484	18,060
Capital Outlay	38,703	38,703	28,056	10,647
Total Expenditures	<u>80,504</u>	<u>80,504</u>	<u>46,254</u>	<u>34,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,654)	(48,654)	(14,846)	33,808
Fund Balance at Beginning of Year	48,610	48,610	48,610	0
Prior Year Encumbrances	44	44	44	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 33,808</u>	<u>\$ 33,808</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

RECORDER'S EQUIPMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 70,000	\$ 70,000	\$ 58,212	\$ (11,788)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>58,212</u>	<u>(11,788)</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	70,085	67,321	32,399	34,922
Other Expenditures	5,000	5,000	0	5,000
Capital Outlay	<u>25,000</u>	<u>27,764</u>	<u>27,764</u>	<u>0</u>
Total Expenditures	<u>100,085</u>	<u>100,085</u>	<u>60,163</u>	<u>39,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,085)	(30,085)	(1,951)	28,134
Fund Balance at Beginning of Year	29,257	29,257	29,257	0
Prior Year Encumbrances	<u>5,085</u>	<u>5,085</u>	<u>5,085</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,257</u>	<u>\$ 4,257</u>	<u>\$ 32,391</u>	<u>\$ 28,134</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

COURTS' COMPUTER RESEARCH FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 2,500	\$ 2,500	\$ 2,510	\$ 10
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>2,510</u>	<u>10</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	2,783	2,783	620	2,163
Other Expenditures	<u>2,581</u>	<u>2,581</u>	<u>499</u>	<u>2,082</u>
Total Expenditures	<u>5,364</u>	<u>5,364</u>	<u>1,119</u>	<u>4,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,864)	(2,864)	1,391	4,255
Fund Balance at Beginning of Year	<u>2,864</u>	<u>2,864</u>	<u>2,864</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,255</u>	<u>\$ 4,255</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

TIME OUT PROGRAM FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 4,500</u>	<u>\$ 6,004</u>	<u>\$ 1,504</u>
Total Revenues	<u>2,000</u>	<u>4,500</u>	<u>6,004</u>	<u>1,504</u>
Expenditures:				
Public Safety:				
Personal Services	<u>9,060</u>	<u>14,560</u>	<u>14,528</u>	<u>32</u>
Total Expenditures	<u>9,060</u>	<u>14,560</u>	<u>14,528</u>	<u>32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,060)	(10,060)	(8,524)	1,536
Other Financing Sources (Uses):				
Transfers In	<u>6,500</u>	<u>9,500</u>	<u>8,000</u>	<u>(1,500)</u>
Total Other Financing Sources (Uses)	<u>6,500</u>	<u>9,500</u>	<u>8,000</u>	<u>(1,500)</u>
Net Change in Fund Balance	(560)	(560)	(524)	36
Fund Balance at Beginning of Year	<u>560</u>	<u>560</u>	<u>560</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36</u>	<u>\$ 36</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

COURT SECURITY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Safety:				
Other Expenditures	<u>98</u>	<u>98</u>	<u>0</u>	<u>98</u>
Total Expenditures	<u>98</u>	<u>98</u>	<u>0</u>	<u>98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98)	(98)	0	98
Fund Balance at Beginning of Year	<u>98</u>	<u>98</u>	<u>98</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 98</u></u>	<u><u>\$ 98</u></u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

PROBATE - JUVENILE SPECIAL PROJECT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ 2,504	\$ 1,504
All Other Revenues	3,500	3,500	3,600	100
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>6,104</u>	<u>1,604</u>
Expenditures:				
Public Safety:				
Personal Services	13,000	13,000	0	13,000
Contractual Services	7,000	7,000	1,459	5,541
Other Expenditures	8,000	8,000	456	7,544
Capital Outlay	3,170	3,170	0	3,170
Total Expenditures	<u>31,170</u>	<u>31,170</u>	<u>1,915</u>	<u>29,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,670)	(26,670)	4,189	30,859
Fund Balance at Beginning of Year	26,670	26,670	26,670	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,859</u>	<u>\$ 30,859</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

JUVENILE COURT SPECIAL PROBATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,245	\$ 19,245	\$ 0	\$ (19,245)
Total Revenues	<u>19,245</u>	<u>19,245</u>	<u>0</u>	<u>(19,245)</u>
Expenditures:				
Public Safety:				
Personal Services	19,245	19,245	0	19,245
Total Expenditures	<u>19,245</u>	<u>19,245</u>	<u>0</u>	<u>19,245</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

AFTER HOURS PROBATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Safety:				
Personal Services	44	0	0	0
Total Expenditures	44	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44)	0	0	0
Other Financing Sources (Uses):				
Transfers Out	0	(44)	(44)	0
Total Other Financing Sources (Uses)	0	(44)	(44)	0
Net Change in Fund Balance	(44)	(44)	(44)	0
Fund Balance at Beginning of Year	44	44	44	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

JUVENILE COURT SOCIAL WORKERS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 52,100	\$ 52,100	\$ 38	\$ (52,062)
All Other Revenues	150,025	150,025	106,474	(43,551)
Total Revenues	<u>202,125</u>	<u>202,125</u>	<u>106,512</u>	<u>(95,613)</u>
Expenditures:				
Public Safety:				
Personal Services	107,205	110,415	90,735	19,680
Materials and Supplies	7,000	8,275	2,455	5,820
Contractual Services	30,138	29,438	17,874	11,564
Other Expenditures	169,012	114,157	2,975	111,182
Capital Outlay	1,000	31,000	15,795	15,205
Total Expenditures	<u>314,355</u>	<u>293,285</u>	<u>129,834</u>	<u>163,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,230)	(91,160)	(23,322)	67,838
Other Financing Sources (Uses):				
Transfers In	0	0	7,329	7,329
Transfers Out	0	(3,800)	(3,800)	0
Advances In	0	0	11,000	11,000
Advances Out	0	(17,270)	(9,500)	7,770
Total Other Financing Sources (Uses)	<u>0</u>	<u>(21,070)</u>	<u>5,029</u>	<u>26,099</u>
Net Change in Fund Balance	(112,230)	(112,230)	(18,293)	93,937
Fund Balance at Beginning of Year	<u>112,230</u>	<u>112,230</u>	<u>112,230</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 93,937</u>	<u>\$ 93,937</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

AUTOMATED TITLE PROCESSING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 210,000	\$ 210,000	\$ 212,312	\$ 2,312
All Other Revenues	100	100	71	(29)
Total Revenues	<u>210,100</u>	<u>210,100</u>	<u>212,383</u>	<u>2,283</u>
Expenditures:				
General Government - Judicial:				
Personal Services	158,903	183,903	180,720	3,183
Materials and Supplies	5,423	5,423	4,567	856
Contractual Services	7,350	7,350	6,259	1,091
Other Expenditures	1,315	3,315	2,533	782
Capital Outlay	1,000	1,000	854	146
Total Expenditures	<u>173,991</u>	<u>200,991</u>	<u>194,933</u>	<u>6,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,109	9,109	17,450	8,341
Other Financing Sources (Uses):				
Transfers Out	(100,000)	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Net Change in Fund Balance	(63,891)	(90,891)	(82,550)	8,341
Fund Balance at Beginning of Year	152,830	152,830	152,830	0
Prior Year Encumbrances	1,166	1,166	1,166	0
Fund Balance at End of Year	<u>\$ 90,105</u>	<u>\$ 63,105</u>	<u>\$ 71,446</u>	<u>\$ 8,341</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

DELINQUENT TAX ASSESSMENT COLLECTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 118,000	\$ 118,000	\$ 105,770	\$ (12,230)
Special Assessments	3,000	3,000	2,906	(94)
All Other Revenues	3,000	3,000	9,467	6,467
Total Revenues	<u>124,000</u>	<u>124,000</u>	<u>118,143</u>	<u>(5,857)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	66,618	66,618	48,331	18,287
Materials and Supplies	1,000	1,000	0	1,000
Contractual Services	40,087	40,087	33,087	7,000
Other Expenditures	18,339	18,639	16,129	2,510
Capital Outlay	4,300	4,000	1,800	2,200
Total Expenditures	<u>130,344</u>	<u>130,344</u>	<u>99,347</u>	<u>30,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,344)	(6,344)	18,796	25,140
Fund Balance at Beginning of Year	335,355	335,355	335,355	0
Prior Year Encumbrances	6,627	6,627	6,627	0
Fund Balance at End of Year	<u>\$ 335,638</u>	<u>\$ 335,638</u>	<u>\$ 360,778</u>	<u>\$ 25,140</u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006****VOCA AND SVAA GRANT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 27,502	\$ 27,502	\$ 30,793	\$ 3,291
All Other Revenues	25	25	9	(16)
Total Revenues	<u>27,527</u>	<u>27,527</u>	<u>30,802</u>	<u>3,275</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	34,221	35,256	34,014	1,242
Materials and Supplies	656	1,025	815	210
Contractual Services	1,573	2,921	1,540	1,381
Other Expenditures	1,500	1,500	1,480	20
Total Expenditures	<u>37,950</u>	<u>40,702</u>	<u>37,849</u>	<u>2,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,423)	(13,175)	(7,047)	6,128
Other Financing Sources (Uses):				
Transfers In	9,167	9,167	9,167	0
Total Other Financing Sources (Uses)	<u>9,167</u>	<u>9,167</u>	<u>9,167</u>	<u>0</u>
Net Change in Fund Balance	(1,256)	(4,008)	2,120	6,128
Fund Balance at Beginning of Year	9,587	9,587	9,587	0
Prior Year Encumbrances	1,281	1,281	1,281	0
Fund Balance at End of Year	<u>\$ 9,612</u>	<u>\$ 6,860</u>	<u>\$ 12,988</u>	<u>\$ 6,128</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

MARINE PATROL GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 18,000	\$ 18,000	\$ 18,335	\$ 335
All Other Revenues	0	0	5	5
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,340</u>	<u>340</u>
Expenditures:				
Public Safety:				
Personal Services	17,234	17,234	14,952	2,282
Materials and Supplies	500	500	174	326
Other Expenditures	1,884	1,884	1,755	129
Capital Outlay	1,471	1,471	971	500
Total Expenditures	<u>21,089</u>	<u>21,089</u>	<u>17,852</u>	<u>3,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,089)	(3,089)	488	3,577
Fund Balance at Beginning of Year	1,734	1,734	1,734	0
Prior Year Encumbrances	1,355	1,355	1,355	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,577</u>	<u>\$ 3,577</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 25,000	\$ 26,216	\$ 25,372	\$ (844)
All Other Revenues	10	7,435	14,045	6,610
Total Revenues	<u>25,010</u>	<u>33,651</u>	<u>39,417</u>	<u>5,766</u>
Expenditures:				
Public Safety:				
Personal Services	28,488	29,488	23,445	6,043
Materials and Supplies	0	7,641	5,790	1,851
Total Expenditures	<u>28,488</u>	<u>37,129</u>	<u>29,235</u>	<u>7,894</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,478)	(3,478)	10,182	13,660
Fund Balance at Beginning of Year	<u>3,478</u>	<u>3,478</u>	<u>3,478</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,660</u>	<u>\$ 13,660</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

COMMON PLEAS PRISON REDUCTION GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Safety:				
Contractual Services	<u>7</u>	<u>7</u>	<u>7</u>	<u>0</u>
Total Expenditures	<u>7</u>	<u>7</u>	<u>7</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7)	(7)	(7)	0
Fund Balance at Beginning of Year	<u>7</u>	<u>7</u>	<u>7</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

COMMON PLEAS JAIL DIVERSION GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 51,000	\$ 51,000	\$ 51,104	\$ 104
All Other Revenues	100	100	16	(84)
Total Revenues	<u>51,100</u>	<u>51,100</u>	<u>51,120</u>	<u>20</u>
Expenditures:				
Public Safety:				
Personal Services	52,859	52,139	48,636	3,503
Materials and Supplies	673	1,143	1,054	89
Contractual Services	940	940	305	635
Other Expenditures	0	19,903	19,903	0
Capital Outlay	0	250	209	41
Total Expenditures	<u>54,472</u>	<u>74,375</u>	<u>70,107</u>	<u>4,268</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,372)	(23,275)	(18,987)	4,288
Other Financing Sources (Uses):				
Transfers In	0	13,073	13,073	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>13,073</u>	<u>13,073</u>	<u>0</u>
Net Change in Fund Balance	(3,372)	(10,202)	(5,914)	4,288
Fund Balance at Beginning of Year	10,029	10,029	10,029	0
Prior Year Encumbrances	173	173	173	0
Fund Balance at End of Year	<u>\$ 6,830</u>	<u>\$ 0</u>	<u>\$ 4,288</u>	<u>\$ 4,288</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

BYRNE DRUG COURT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 152,525	\$ 152,525	\$ 74,121	\$ (78,404)
All Other Revenues	<u>0</u>	<u>0</u>	<u>16</u>	<u>16</u>
Total Revenues	<u>152,525</u>	<u>152,525</u>	<u>74,137</u>	<u>(78,388)</u>
Expenditures:				
Public Safety:				
Personal Services	74,002	41,071	29,684	11,387
Materials and Supplies	6	0	0	0
Contractual Services	<u>26,300</u>	<u>62,722</u>	<u>58,096</u>	<u>4,626</u>
Total Expenditures	<u>100,308</u>	<u>103,793</u>	<u>87,780</u>	<u>16,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,217	48,732	(13,643)	(62,375)
Other Financing Sources (Uses):				
Transfers Out	0	(7,285)	(7,285)	0
Advances In	0	0	9,500	9,500
Advances Out	<u>0</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(18,285)</u>	<u>(8,785)</u>	<u>9,500</u>
Net Change in Fund Balance	52,217	30,447	(22,428)	(52,875)
Fund Balance at Beginning of Year	<u>25,308</u>	<u>25,308</u>	<u>25,308</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 77,525</u>	<u>\$ 55,755</u>	<u>\$ 2,880</u>	<u>\$ (52,875)</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,342,361	\$ (57,639)
Intergovernmental Revenues	0	108,000	121,341	13,341
All Other Revenues	<u>600</u>	<u>600</u>	<u>516</u>	<u>(84)</u>
Total Revenues	<u>1,400,600</u>	<u>1,508,600</u>	<u>1,464,218</u>	<u>(44,382)</u>
Expenditures:				
Public Safety:				
Personal Services	1,949,000	1,949,000	1,117,416	831,584
Materials and Supplies	27,806	27,806	3,191	24,615
Contractual Services	103,703	103,703	44,033	59,670
Other Expenditures	71,744	71,744	19,634	52,110
Capital Outlay	<u>358,400</u>	<u>466,400</u>	<u>135,666</u>	<u>330,734</u>
Total Expenditures	<u>2,510,653</u>	<u>2,618,653</u>	<u>1,319,940</u>	<u>1,298,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,110,053)	(1,110,053)	144,278	1,254,331
Fund Balance at Beginning of Year	1,403,985	1,403,985	1,403,985	0
Prior Year Encumbrances	<u>34,653</u>	<u>34,653</u>	<u>34,653</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 328,585</u>	<u>\$ 328,585</u>	<u>\$ 1,582,916</u>	<u>\$ 1,254,331</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 17,045	\$ 17,045	\$ 17,045	\$ 0
Total Revenues	<u>17,045</u>	<u>17,045</u>	<u>17,045</u>	<u>0</u>
Expenditures:				
Human Services:				
Contractual Services	18,250	22,594	22,594	0
Total Expenditures	<u>18,250</u>	<u>22,594</u>	<u>22,594</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,205)	(5,549)	(5,549)	0
Fund Balance at Beginning of Year	<u>5,549</u>	<u>5,549</u>	<u>5,549</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,344</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006****LITTER CONTROL AND RECYCLING FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 47,706	\$ (27,294)
All Other Revenues	0	0	272	272
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>47,978</u>	<u>(27,022)</u>
Expenditures:				
Health:				
Personal Services	14,247	19,410	17,991	1,419
Materials and Supplies	5,500	2,842	1,811	1,031
Contractual Services	15,958	5,246	5,241	5
Other Expenditures	3,250	2,250	309	1,941
Capital Outlay	2,500	16,537	14,697	1,840
Total Expenditures	<u>41,455</u>	<u>46,285</u>	<u>40,049</u>	<u>6,236</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,545	28,715	7,929	(20,786)
Fund Balance at Beginning of Year	7,748	7,748	7,748	0
Prior Year Encumbrances	208	208	208	0
Fund Balance at End of Year	<u>\$ 41,501</u>	<u>\$ 36,671</u>	<u>\$ 15,885</u>	<u>\$ (20,786)</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

CHILD SUPPORT ENFORCEMENT AGENCY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 580,000	\$ 489,193	\$ 418,155	\$ (71,038)
Charges for Services	170,000	170,000	173,284	3,284
All Other Revenues	2,000	2,000	8,789	6,789
Total Revenues	<u>752,000</u>	<u>661,193</u>	<u>600,228</u>	<u>(60,965)</u>
Expenditures:				
Human Services:				
Personal Services	536,184	544,567	528,199	16,368
Materials and Supplies	5,408	5,408	642	4,766
Contractual Services	258,246	199,439	124,883	74,556
Other Expenditures	75,070	34,687	2,818	31,869
Capital Outlay	5,963	5,963	1,737	4,226
Total Expenditures	<u>880,871</u>	<u>790,064</u>	<u>658,279</u>	<u>131,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(128,871)	(128,871)	(58,051)	70,820
Other Financing Sources (Uses):				
Transfers In	0	0	50,000	50,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balance	(128,871)	(128,871)	(8,051)	120,820
Fund Balance at Beginning of Year	75,120	75,120	75,120	0
Prior Year Encumbrances	53,871	53,871	53,871	0
Fund Balance at End of Year	<u>\$ 120</u>	<u>\$ 120</u>	<u>\$ 120,940</u>	<u>\$ 120,820</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

REAL ESTATE ASSESSMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 531,200	\$ 531,200	\$ 478,040	\$ (53,160)
All Other Revenues	50	50	0	(50)
Total Revenues	<u>531,250</u>	<u>531,250</u>	<u>478,040</u>	<u>(53,210)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	234,300	236,452	236,271	181
Materials and Supplies	15,271	15,019	7,129	7,890
Contractual Services	327,724	327,724	289,837	37,887
Other Expenditures	11,000	9,100	2,062	7,038
Capital Outlay	15,000	15,000	1,384	13,616
Total Expenditures	<u>603,295</u>	<u>603,295</u>	<u>536,683</u>	<u>66,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,045)	(72,045)	(58,643)	13,402
Fund Balance at Beginning of Year	791,597	791,597	791,597	0
Prior Year Encumbrances	15,995	15,995	15,995	0
Fund Balance at End of Year	<u>\$ 735,547</u>	<u>\$ 735,547</u>	<u>\$ 748,949</u>	<u>\$ 13,402</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

YOUTH SERVICES GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 165,000	\$ 169,694	\$ 171,995	\$ 2,301
All Other Revenues	0	0	42	42
Total Revenues	<u>165,000</u>	<u>169,694</u>	<u>172,037</u>	<u>2,343</u>
Expenditures:				
Public Safety:				
Personal Services	170,830	170,830	151,247	19,583
Materials and Supplies	0	2,352	0	2,352
Contractual Services	0	2,342	2,342	0
Other Expenditures	110,181	110,181	0	110,181
Total Expenditures	<u>281,011</u>	<u>285,705</u>	<u>153,589</u>	<u>132,116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(116,011)	(116,011)	18,448	134,459
Fund Balance at Beginning of Year	116,011	116,011	116,011	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 134,459</u>	<u>\$ 134,459</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 7,200	\$ 7,200	\$ 8,837	\$ 1,637
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>8,837</u>	<u>1,637</u>
Expenditures:				
Capital Outlay:				
Contractual Services	18,000	18,000	4,794	13,206
Other Expenditures	<u>80</u>	<u>80</u>	<u>0</u>	<u>80</u>
Total Expenditures	<u>18,080</u>	<u>18,080</u>	<u>4,794</u>	<u>13,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,880)	(10,880)	4,043	14,923
Fund Balance at Beginning of Year	<u>11,673</u>	<u>11,673</u>	<u>11,673</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 793</u>	<u>\$ 793</u>	<u>\$ 15,716</u>	<u>\$ 14,923</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Health:				
Contractual Services	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(500)	0	500
Fund Balance at Beginning of Year	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	EMERGENCY MANAGEMENT AGENCY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 248,020	\$ 302,556	\$ 222,081	\$ (80,475)
All Other Revenues	550	550	1,704	1,154
Total Revenues	<u>248,570</u>	<u>303,106</u>	<u>223,785</u>	<u>(79,321)</u>
Expenditures:				
Public Safety:				
Personal Services	85,156	85,156	72,411	12,745
Materials and Supplies	1,913	1,913	1,187	726
Contractual Services	5,957	5,957	972	4,985
Other Expenditures	47,864	47,864	13,572	34,292
Capital Outlay	230,844	285,380	166,790	118,590
Total Expenditures	<u>371,734</u>	<u>426,270</u>	<u>254,932</u>	<u>171,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,164)	(123,164)	(31,147)	92,017
Other Financing Sources (Uses):				
Transfers In	40,000	40,000	41,000	1,000
Transfers Out	(11,000)	(11,000)	(11,000)	0
Total Other Financing Sources (Uses)	<u>29,000</u>	<u>29,000</u>	<u>30,000</u>	<u>1,000</u>
Net Change in Fund Balance	(94,164)	(94,164)	(1,147)	93,017
Fund Balance at Beginning of Year	41,592	41,592	41,592	0
Prior Year Encumbrances	76,699	76,699	76,699	0
Fund Balance at End of Year	<u>\$ 24,127</u>	<u>\$ 24,127</u>	<u>\$ 117,144</u>	<u>\$ 93,017</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

FAMILY RESOURCES FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 33,500	\$ 33,500	\$ 34,118	\$ 618
Total Revenues	<u>33,500</u>	<u>33,500</u>	<u>34,118</u>	<u>618</u>
Expenditures:				
Human Services:				
Personal Services	2,020	0	0	0
Contractual Services	34,806	0	0	0
Other Expenditures	<u>0</u>	<u>36,826</u>	<u>33,375</u>	<u>3,451</u>
Total Expenditures	<u>36,826</u>	<u>36,826</u>	<u>33,375</u>	<u>3,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,326)	(3,326)	743	4,069
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>8,500</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>8,500</u>
Net Change in Fund Balance	(3,326)	(3,326)	9,243	12,569
Fund Balance at Beginning of Year	<u>3,326</u>	<u>3,326</u>	<u>3,326</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,569</u>	<u>\$ 12,569</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	HOME FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 200,000	\$ 205,000	\$ 59,000	\$ (146,000)
All Other Revenues	0	0	156	156
Total Revenues	<u>200,000</u>	<u>205,000</u>	<u>59,156</u>	<u>(145,844)</u>
Expenditures:				
Human Services:				
Capital Outlay	200,000	200,000	56,272	143,728
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>56,272</u>	<u>143,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	5,000	2,884	(2,116)
Fund Balance at Beginning of Year	16	16	16	0
Fund Balance at End of Year	<u>\$ 16</u>	<u>\$ 5,016</u>	<u>\$ 2,900</u>	<u>\$ (2,116)</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

MARRIAGE LICENSE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 15,100	\$ 15,100	\$ 14,380	\$ (720)
Total Revenues	<u>15,100</u>	<u>15,100</u>	<u>14,380</u>	<u>(720)</u>
Expenditures:				
Health:				
Contractual Services	<u>23,692</u>	<u>23,692</u>	<u>22,972</u>	<u>720</u>
Total Expenditures	<u>23,692</u>	<u>23,692</u>	<u>22,972</u>	<u>720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,592)	(8,592)	(8,592)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>8,592</u>	<u>8,592</u>	<u>8,592</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 15,000	\$ 15,000	\$ 537,924	\$ 522,924
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>537,924</u>	<u>522,924</u>
Expenditures:				
General Government - Legislative and Executive:				
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>550,604</u>	<u>(525,604)</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>550,604</u>	<u>(525,604)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,000)	(12,680)	(2,680)
Fund Balance at Beginning of Year	<u>14,889</u>	<u>14,889</u>	<u>14,889</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,889</u>	<u>\$ 4,889</u>	<u>\$ 2,209</u>	<u>\$ (2,680)</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

STORM WATER MANAGEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 40,000	\$ 40,000	\$ 29,920	\$ (10,080)
All Other Revenues	0	0	9	9
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>29,929</u>	<u>(10,071)</u>
Expenditures:				
Public Works:				
Personal Services	0	29,000	13,886	15,114
Contractual Services	51,000	560	0	560
Other Expenditures	5,000	5,000	100	4,900
Total Expenditures	<u>56,000</u>	<u>34,560</u>	<u>13,986</u>	<u>20,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,000)	5,440	15,943	10,503
Other Financing Sources (Uses):				
Transfers Out	0	(21,440)	(21,440)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(21,440)</u>	<u>(21,440)</u>	<u>0</u>
Net Change in Fund Balance	(16,000)	(16,000)	(5,497)	10,503
Fund Balance at Beginning of Year	23,539	23,539	23,539	0
Fund Balance at End of Year	<u>\$ 7,539</u>	<u>\$ 7,539</u>	<u>\$ 18,042</u>	<u>\$ 10,503</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 0	\$ 9,151	\$ 17,692	\$ 8,541
Licenses and Permits	5,100	5,100	3,108	(1,992)
Total Revenues	<u>5,100</u>	<u>14,251</u>	<u>20,800</u>	<u>6,549</u>
Expenditures:				
Public Safety:				
Contractual Services	7,140	16,291	15,740	551
Capital Outlay	4,432	4,432	0	4,432
Total Expenditures	<u>11,572</u>	<u>20,723</u>	<u>15,740</u>	<u>4,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,472)	(6,472)	5,060	11,532
Fund Balance at Beginning of Year	4,332	4,332	4,332	0
Prior Year Encumbrances	2,140	2,140	2,140	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,532</u>	<u>\$ 11,532</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 250,000</u>	<u>\$ 281,816</u>	<u>\$ 212,716</u>	<u>\$ (69,100)</u>
Total Revenues	<u>250,000</u>	<u>281,816</u>	<u>212,716</u>	<u>(69,100)</u>
Expenditures:				
Human Services:				
Personal Services	5,000	0	0	0
Contractual Services	300,000	366,816	270,855	95,961
Capital Outlay	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>335,000</u>	<u>366,816</u>	<u>270,855</u>	<u>95,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,000)	(85,000)	(58,139)	26,861
Fund Balance at Beginning of Year	<u>147,881</u>	<u>147,881</u>	<u>147,881</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 62,881</u>	<u>\$ 62,881</u>	<u>\$ 89,742</u>	<u>\$ 26,861</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 180,000	\$ 180,000	\$ 0	\$ (180,000)
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>0</u>	<u>(180,000)</u>
Expenditures:				
Public Works:				
Contractual Services	180,000	192,809	192,809	0
Total Expenditures	<u>180,000</u>	<u>192,809</u>	<u>192,809</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(12,809)	(192,809)	(180,000)
Other Financing Sources (Uses):				
Transfers In	0	70,000	250,000	180,000
Transfers Out	0	(57,191)	(57,000)	191
Total Other Financing Sources (Uses)	<u>0</u>	<u>12,809</u>	<u>193,000</u>	<u>180,191</u>
Net Change in Fund Balance	0	0	191	191
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 191</u>	<u>\$ 191</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 8,000	\$ 8,000	\$ 6,447	\$ (1,553)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>6,447</u>	<u>(1,553)</u>
Expenditures:				
Public Safety:				
Personal Services	4,000	4,000	3,970	30
Capital Outlay	<u>4,069</u>	<u>4,069</u>	<u>2,527</u>	<u>1,542</u>
Total Expenditures	<u>8,069</u>	<u>8,069</u>	<u>6,497</u>	<u>1,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69)	(69)	(50)	19
Fund Balance at Beginning of Year	19	19	19	0
Prior Year Encumbrances	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 19</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

SUPERVISION FEE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	\$ 6,000	\$ 6,000	\$ 9,580	\$ 3,580
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>9,580</u>	<u>3,580</u>
Expenditures:				
General Government - Judicial:				
Personal Services	2,000	1,000	70	930
Other Expenditures	5,000	3,200	2,625	575
Capital Outlay	<u>2,201</u>	<u>5,001</u>	<u>4,818</u>	<u>183</u>
Total Expenditures	<u>9,201</u>	<u>9,201</u>	<u>7,513</u>	<u>1,688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,201)	(3,201)	2,067	5,268
Fund Balance at Beginning of Year	<u>3,201</u>	<u>3,201</u>	<u>3,201</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,268</u>	<u>\$ 5,268</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 7,500	\$ 7,500	\$ 6,150	\$ (1,350)
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>6,150</u>	<u>(1,350)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	0	5,810	5,070	740
Materials and Supplies	0	1,490	864	626
Other Expenditures	0	500	0	500
Total Expenditures	<u>0</u>	<u>7,800</u>	<u>5,934</u>	<u>1,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,500	(300)	216	516
Fund Balance at Beginning of Year	300	300	300	0
Fund Balance at End of Year	<u>\$ 7,800</u>	<u>\$ 0</u>	<u>\$ 516</u>	<u>\$ 516</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

IMMOBILIZED VEHICLE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for Services	<u>\$ 0</u>	<u>\$ 332</u>	<u>\$ 532</u>	<u>\$ 200</u>
Total Revenues	<u>0</u>	<u>332</u>	<u>532</u>	<u>200</u>
Expenditures:				
Public Safety:				
Capital Outlay	<u>0</u>	<u>332</u>	<u>0</u>	<u>332</u>
Total Expenditures	<u>0</u>	<u>332</u>	<u>0</u>	<u>332</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	532	532
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 532</u>	<u>\$ 532</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

INTAKE OFFICER GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 26,887	\$ 18,867	\$ (8,020)
Total Revenues	<u>0</u>	<u>26,887</u>	<u>18,867</u>	<u>(8,020)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	0	30,687	12,454	18,233
Total Expenditures	<u>0</u>	<u>30,687</u>	<u>12,454</u>	<u>18,233</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,800)	6,413	10,213
Other Financing Sources (Uses):				
Transfers In	0	3,800	3,800	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>3,800</u>	<u>3,800</u>	<u>0</u>
Net Change in Fund Balance	0	0	10,213	10,213
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,213</u>	<u>\$ 10,213</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 625,100	\$ 627,240	\$ 634,580	\$ 7,340
Intergovernmental Revenues	69,000	96,000	88,648	(7,352)
Total Revenues	<u>694,100</u>	<u>723,240</u>	<u>723,228</u>	<u>(12)</u>
Expenditures:				
Intergovernmental:				
Contractual Services	694,100	723,240	723,228	12
Total Expenditures	<u>694,100</u>	<u>723,240</u>	<u>723,228</u>	<u>12</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 807,200	\$ 808,198	\$ 816,034	\$ 7,836
Intergovernmental Revenues	<u>95,000</u>	<u>122,000</u>	<u>111,758</u>	<u>(10,242)</u>
Total Revenues	<u>902,200</u>	<u>930,198</u>	<u>927,792</u>	<u>(2,406)</u>
Expenditures:				
Intergovernmental:				
Contractual Services	894,200	930,198	927,792	2,406
Other Expenditures	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>902,200</u>	<u>930,198</u>	<u>927,792</u>	<u>2,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BOND RETIREMENT FUND				
Revenues:				
Special Assessments	\$ 38,000	\$ 38,000	\$ 18,195	\$ (19,805)
All Other Revenues	199,233	199,233	204,607	5,374
Total Revenues	<u>237,233</u>	<u>237,233</u>	<u>222,802</u>	<u>(14,431)</u>
Expenditures:				
Debt Service:				
Principal Retirement	612,200	590,000	590,000	0
Interest and Fiscal Charges	561,264	583,464	518,789	64,675
Total Expenditures	<u>1,173,464</u>	<u>1,173,464</u>	<u>1,108,789</u>	<u>64,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(936,231)	(936,231)	(885,987)	50,244
Other Financing Sources (Uses):				
Transfers In	905,769	905,769	905,769	0
Total Other Financing Sources (Uses)	<u>905,769</u>	<u>905,769</u>	<u>905,769</u>	<u>0</u>
Net Change in Fund Balance	(30,462)	(30,462)	19,782	50,244
Fund Balance at Beginning of Year	556,829	556,829	556,829	0
Fund Balance at End of Year	<u>\$ 526,367</u>	<u>\$ 526,367</u>	<u>\$ 576,611</u>	<u>\$ 50,244</u>

KNOX COUNTY, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>180</u>	<u>180</u>	<u>180</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 180</u></u>	<u><u>\$ 180</u></u>	<u><u>\$ 180</u></u>	<u><u>\$ 0</u></u>

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMANENT IMPROVEMENT FUND				
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 449,576	\$ 449,576
Total Revenues	0	0	449,576	449,576
Expenditures:				
Capital Outlay:				
Contractual Services	1,619,855	1,619,855	1,309,997	309,858
Total Expenditures	1,619,855	1,619,855	1,309,997	309,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,619,855)	(1,619,855)	(860,421)	759,434
Other Financing Sources (Uses):				
Transfers In	400,000	400,000	0	(400,000)
Total Other Financing Sources (Uses)	400,000	400,000	0	(400,000)
Net Change in Fund Balance	(1,219,855)	(1,219,855)	(860,421)	359,434
Fund Balance at Beginning of Year	738,748	738,748	738,748	0
Prior Year Encumbrances	481,107	481,107	481,107	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 359,434	\$ 359,434

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 778</u>	<u>\$ (422)</u>
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>778</u>	<u>(422)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>6,900</u>	<u>6,900</u>	<u>5,700</u>	<u>1,200</u>
Total Expenditures	<u>6,900</u>	<u>6,900</u>	<u>5,700</u>	<u>1,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,700)	(5,700)	(4,922)	778
Fund Balance at Beginning of Year	<u>5,713</u>	<u>5,713</u>	<u>5,713</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 791</u>	<u>\$ 778</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	ISSUE II FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	<u>\$ 350,000</u>	<u>\$ 658,294</u>	<u>\$ 658,294</u>	<u>\$ 0</u>
Total Revenues	<u>350,000</u>	<u>658,294</u>	<u>658,294</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Other Expenditures	<u>350,000</u>	<u>658,294</u>	<u>658,294</u>	<u>0</u>
Total Expenditures	<u>350,000</u>	<u>658,294</u>	<u>658,294</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>4,718</u>	<u>322</u>	<u>322</u>	<u>0</u>
Total Expenditures	<u>4,718</u>	<u>322</u>	<u>322</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,718)	(322)	(322)	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(4,396)</u>	<u>(4,396)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,396)</u>	<u>(4,396)</u>	<u>0</u>
Net Change in Fund Balance	(4,718)	(4,718)	(4,718)	0
Fund Balance at Beginning of Year	3,322	3,322	3,322	0
Prior Year Encumbrances	<u>1,396</u>	<u>1,396</u>	<u>1,396</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 533,000	\$ 558,873	\$ 268,105	\$ (290,768)
Investment Earnings	25	25	157	132
Total Revenues	<u>533,025</u>	<u>558,898</u>	<u>268,262</u>	<u>(290,636)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>538,259</u>	<u>564,132</u>	<u>262,090</u>	<u>302,042</u>
Total Expenditures	<u>538,259</u>	<u>564,132</u>	<u>262,090</u>	<u>302,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,234)	(5,234)	6,172	11,406
Fund Balance at Beginning of Year	2,591	2,591	2,591	0
Prior Year Encumbrances	<u>4,010</u>	<u>4,010</u>	<u>4,010</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,367</u>	<u>\$ 1,367</u>	<u>\$ 12,773</u>	<u>\$ 11,406</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>6,794</u>	<u>6,794</u>	<u>0</u>	<u>6,794</u>
Total Expenditures	<u>6,794</u>	<u>6,794</u>	<u>0</u>	<u>6,794</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,794)	(6,794)	0	6,794
Fund Balance at Beginning of Year	<u>6,794</u>	<u>6,794</u>	<u>6,794</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,794</u>	<u>\$ 6,794</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	<u>\$ 630,000</u>	<u>\$ 630,000</u>	<u>\$ 168,635</u>	<u>\$ (461,365)</u>
Total Revenues	<u>630,000</u>	<u>630,000</u>	<u>168,635</u>	<u>(461,365)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>630,000</u>	<u>630,000</u>	<u>168,635</u>	<u>461,365</u>
Total Expenditures	<u>630,000</u>	<u>630,000</u>	<u>168,635</u>	<u>461,365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

INDUSTRIAL SITE IMPROVEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 803,319	\$ 760,610	\$ (42,709)
Total Revenues	<u>0</u>	<u>803,319</u>	<u>760,610</u>	<u>(42,709)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	0	803,319	761,995	41,324
Total Expenditures	<u>0</u>	<u>803,319</u>	<u>761,995</u>	<u>41,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,385)	(1,385)
Other Financing Sources (Uses):				
Transfers In	0	50,000	51,385	1,385
Transfers Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,385</u>	<u>1,385</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Agency Funds

District Board of Health Fund

The fund accounts for the District Board of Health for which the county auditor is the ex officio fiscal agent as required under Section 1515.23, Ohio Revised Code.

Soil and Water Conservation Fund

The fund accounts for the funds of the Soil and Water Conservation District, established under Chapter 1515, Ohio Revised Code, for which the county auditor is the fiscal agent.

Corporation Fund

The fund accounts for the portion of permissive taxes and local government money distributed to the City of Mount Vernon and villages in the County.

Local Government Fund

The fund accounts for money received from sales and rental of tangible personal property and selected services, distributed by the State of Ohio under Ohio Revised Code, Chapters 5739 and 5741. An alternative formula distributes all income to the County, City, Villages, Townships and Park Districts, for general operation.

Law Library Fund

The fund accounts for fine money that the law library is entitled to receive.

Library Support Fund

The fund accounts for the collection of shared revenues from the State of Ohio that represents a portion of state income taxes which is returned to the County for use by district libraries and park districts. These monies are apportioned to the libraries on a monthly basis, allocated by the budget commission according to a formula.

Lodging Tax Fund

The fund accounts for a 3% excise tax on lodging furnished to transient guests. The auditor's office receives 5% and the remaining 95% is distributed to the Knox County Visitors Bureau.

(Continued)

Agency Funds

Cigarette Tax Fund

The fund accounts for cigarette license money collected by the State and distributed by the County to certain local governments.

Manufactured Home Tax Fund

The fund accounts for the collection of first and second half manufactured home taxes which are distributed to certain local governments.

County Court Agency Fund

The fund accounts for money received and distributed by the Court for the following court activities:

1. Clerk of Courts auto title fees, and legal (court related) receipts, and dispositions;
2. Probate Court related receipts and disbursements; and
3. Juvenile Court related receipts and disbursements.

Undivided Personal Property Tax Fund

The fund accounts for the first and second half collections of tangible personal property taxes and delinquent tangible tax to be distributed following state statute to cities, villages, townships, and the County itself.

Estate Tax Fund

The fund accounts for the collection of first and second half estate taxes which are distributed to the State and to certain local governments according to applicable State laws.

Undivided Real Estate Tax Fund

The fund accounts for the first and second half collection of real estate taxes and special assessments from real estate owners. These collections are periodically apportioned to local governments in the County.

Regional Planning Commission Fund

The fund was established by Knox County Regional Planning Commission with revenue generated based on cents per capita from all municipalities and townships within Knox County. The expenses are to contract or plan such information and reports as may be necessary to operate the Commission.

Workers Compensation Fund

The fund accounts for workers' compensation payments collected from local governments in the County and paid to the State.

Alimony and Child Support Fund

The fund accounts for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

(Continued)

Agency Funds

Inmate Fund

The fund accounts for monies held by the sheriff's department that belong to the prisoners. The money is distributed to the commissary or to the prisoner upon release.

Township Fund

The fund accounts for the portion of permissive taxes, gasoline tax and local government money to be distributed to the townships in the County.

Payroll Fund

The fund accounts for payroll taxes and other related payroll deductions accumulated from the governmental and proprietary funds for distribution to other governmental units and private organizations.

Park District Fund

The fund accounts for the collection of grants and donations to preserve county parks and recreation areas. Expenses are mainly to maintain and purchase additional parks within the county.

KNOX COUNTY, OHIO

**Combining Statement Of Assets and Liabilities
Agency Funds
December 31, 2006**

	Undivided Personal Property Tax	Undivided Real Estate Tax	All Other Agency	Totals
Assets:				
Cash and Cash Equivalents	\$40,764	\$1,994,121	\$1,806,962	\$3,841,847
Cash and Cash Equivalents in Segregated Accounts	0	0	349,982	349,982
Receivables:				
Taxes	4,595,212	48,176,730	0	52,771,942
Accounts	0	0	7,075	7,075
Intergovernmental	0	0	3,290,249	3,290,249
Total Assets	<u>\$4,635,976</u>	<u>\$50,170,851</u>	<u>\$5,454,268</u>	<u>\$60,261,095</u>
Liabilities:				
Intergovernmental Payable	\$4,635,976	\$50,170,851	\$3,929,085	\$58,735,912
Undistributed Monies	0	0	347,222	347,222
Due to Others	0	0	1,177,961	1,177,961
Total Liabilities	<u>\$4,635,976</u>	<u>\$50,170,851</u>	<u>\$5,454,268</u>	<u>\$60,261,095</u>

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>District Board of Health</u>				
Assets:				
Cash and Cash Equivalents	\$ 1,189,932	\$ 3,266,043	\$ (3,465,960)	\$ 990,015
Total Assets	<u>\$ 1,189,932</u>	<u>\$ 3,266,043</u>	<u>\$ (3,465,960)</u>	<u>\$ 990,015</u>
Liabilities:				
Due to Others	\$ 1,189,932	\$ 3,266,043	\$ (3,465,960)	\$ 990,015
Total Liabilities	<u>\$ 1,189,932</u>	<u>\$ 3,266,043</u>	<u>\$ (3,465,960)</u>	<u>\$ 990,015</u>
<u>Soil and Water Conservation</u>				
Assets:				
Cash and Cash Equivalents	\$ 120,697	\$ 290,477	\$ (287,419)	\$ 123,755
Total Assets	<u>\$ 120,697</u>	<u>\$ 290,477</u>	<u>\$ (287,419)</u>	<u>\$ 123,755</u>
Liabilities:				
Due to Others	\$ 120,697	\$ 290,477	\$ (287,419)	\$ 123,755
Total Liabilities	<u>\$ 120,697</u>	<u>\$ 290,477</u>	<u>\$ (287,419)</u>	<u>\$ 123,755</u>
<u>Corporation</u>				
Assets:				
Cash and Cash Equivalents	\$ 93,648	\$ 892,594	\$ (912,555)	\$ 73,687
Intergovernmental Receivable	189,294	186,889	(189,294)	186,889
Total Assets	<u>\$ 282,942</u>	<u>\$ 1,079,483</u>	<u>\$ (1,101,849)</u>	<u>\$ 260,576</u>
Liabilities:				
Intergovernmental Payable	\$ 282,942	\$ 1,079,483	\$ (1,101,849)	\$ 260,576
Total Liabilities	<u>\$ 282,942</u>	<u>\$ 1,079,483</u>	<u>\$ (1,101,849)</u>	<u>\$ 260,576</u>
<u>Local Government</u>				
Assets:				
Intergovernmental Receivable	\$ 1,034,858	\$ 1,034,858	\$ (1,034,858)	\$ 1,034,858
Total Assets	<u>\$ 1,034,858</u>	<u>\$ 1,034,858</u>	<u>\$ (1,034,858)</u>	<u>\$ 1,034,858</u>
Liabilities:				
Intergovernmental Payable	\$ 1,034,858	\$ 1,034,858	\$ (1,034,858)	\$ 1,034,858
Total Liabilities	<u>\$ 1,034,858</u>	<u>\$ 1,034,858</u>	<u>\$ (1,034,858)</u>	<u>\$ 1,034,858</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 19,904	\$ (19,904)	\$ 0
Intergovernmental Receivable	665	1,905	(665)	1,905
Total Assets	<u>\$ 665</u>	<u>\$ 21,809</u>	<u>\$ (20,569)</u>	<u>\$ 1,905</u>
Liabilities:				
Intergovernmental Payable	\$ 665	\$ 21,809	\$ (20,569)	\$ 1,905
Total Liabilities	<u>\$ 665</u>	<u>\$ 21,809</u>	<u>\$ (20,569)</u>	<u>\$ 1,905</u>
<u>Library Support</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 1,893,770	\$ (1,893,770)	\$ 0
Intergovernmental Receivable	850,190	850,190	(850,190)	850,190
Total Assets	<u>\$ 850,190</u>	<u>\$ 2,743,960</u>	<u>\$ (2,743,960)</u>	<u>\$ 850,190</u>
Liabilities:				
Intergovernmental Payable	\$ 850,190	\$ 2,743,960	\$ (2,743,960)	\$ 850,190
Total Liabilities	<u>\$ 850,190</u>	<u>\$ 2,743,960</u>	<u>\$ (2,743,960)</u>	<u>\$ 850,190</u>
<u>Lodging Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 134,744	\$ (134,744)	\$ 0
Accounts Receivable	6,172	7,075	(6,172)	7,075
Total Assets	<u>\$ 6,172</u>	<u>\$ 141,819</u>	<u>\$ (140,916)</u>	<u>\$ 7,075</u>
Liabilities:				
Due to Others	\$ 6,172	\$ 141,819	\$ (140,916)	\$ 7,075
Total Liabilities	<u>\$ 6,172</u>	<u>\$ 141,819</u>	<u>\$ (140,916)</u>	<u>\$ 7,075</u>
<u>Cigarette Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 14	\$ 2,035	\$ (2,049)	\$ 0
Total Assets	<u>\$ 14</u>	<u>\$ 2,035</u>	<u>\$ (2,049)</u>	<u>\$ 0</u>
Liabilities:				
Intergovernmental Payable	\$ 14	\$ 2,035	\$ (2,049)	\$ 0
Total Liabilities	<u>\$ 14</u>	<u>\$ 2,035</u>	<u>\$ (2,049)</u>	<u>\$ 0</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Manufactured Home Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 22,916	\$ 222,648	\$ (226,013)	\$ 19,551
Total Assets	<u>\$ 22,916</u>	<u>\$ 222,648</u>	<u>\$ (226,013)</u>	<u>\$ 19,551</u>
Liabilities:				
Intergovernmental Payable	\$ 22,916	\$ 222,648	\$ (226,013)	\$ 19,551
Total Liabilities	<u>\$ 22,916</u>	<u>\$ 222,648</u>	<u>\$ (226,013)</u>	<u>\$ 19,551</u>
<u>County Court Agency Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 644,862	\$ 10,322,543	\$ (10,620,183)	\$ 347,222
Total Assets	<u>\$ 644,862</u>	<u>\$ 10,322,543</u>	<u>\$ (10,620,183)</u>	<u>\$ 347,222</u>
Liabilities:				
Intergovernmental Payable	\$ 0	\$ 6,197,833	\$ (6,197,833)	\$ 0
Undistributed Monies	644,862	347,222	(644,862)	347,222
Due to Others	0	3,777,488	(3,777,488)	0
Total Liabilities	<u>\$ 644,862</u>	<u>\$ 10,322,543</u>	<u>\$ (10,620,183)</u>	<u>\$ 347,222</u>
<u>Undivided Personal Property Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 175,487	\$ 4,976,646	\$ (5,111,369)	\$ 40,764
Receivables:				
Taxes	5,950,470	4,595,212	(5,950,470)	4,595,212
Total Assets	<u>\$ 6,125,957</u>	<u>\$ 9,571,858</u>	<u>\$ (11,061,839)</u>	<u>\$ 4,635,976</u>
Liabilities:				
Intergovernmental Payable	\$ 6,125,957	\$ 9,571,858	\$ (11,061,839)	\$ 4,635,976
Total Liabilities	<u>\$ 6,125,957</u>	<u>\$ 9,571,858</u>	<u>\$ (11,061,839)</u>	<u>\$ 4,635,976</u>
<u>Estate Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 210,696	\$ 986,533	\$ (819,590)	\$ 377,639
Total Assets	<u>\$ 210,696</u>	<u>\$ 986,533</u>	<u>\$ (819,590)</u>	<u>\$ 377,639</u>
Liabilities:				
Intergovernmental Payable	\$ 210,696	\$ 986,533	\$ (819,590)	\$ 377,639
Total Liabilities	<u>\$ 210,696</u>	<u>\$ 986,533</u>	<u>\$ (819,590)</u>	<u>\$ 377,639</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Undivided Real Estate Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 1,746,160	\$ 42,587,940	\$ (42,339,979)	\$ 1,994,121
Receivables:				
Taxes	45,401,090	48,176,730	(45,401,090)	48,176,730
Special Assessments	141	0	(141)	0
Total Assets	<u>\$ 47,147,391</u>	<u>\$ 90,764,670</u>	<u>\$ (87,741,210)</u>	<u>\$ 50,170,851</u>
Liabilities:				
Intergovernmental Payable	\$ 47,147,391	\$ 90,764,670	\$ (87,741,210)	\$ 50,170,851
Total Liabilities	<u>\$ 47,147,391</u>	<u>\$ 90,764,670</u>	<u>\$ (87,741,210)</u>	<u>\$ 50,170,851</u>
<u>Regional Planning Commission</u>				
Assets:				
Cash and Cash Equivalents	\$ 40,860	\$ 92,112	\$ (80,151)	\$ 52,821
Total Assets	<u>\$ 40,860</u>	<u>\$ 92,112</u>	<u>\$ (80,151)</u>	<u>\$ 52,821</u>
Liabilities:				
Due to Others	\$ 40,860	\$ 92,112	\$ (80,151)	\$ 52,821
Total Liabilities	<u>\$ 40,860</u>	<u>\$ 92,112</u>	<u>\$ (80,151)</u>	<u>\$ 52,821</u>
<u>Workers' Compensation</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 153,558	\$ (153,558)	\$ 0
Intergovernmental Receivable	12,573	12,517	(12,573)	12,517
Total Assets	<u>\$ 12,573</u>	<u>\$ 166,075</u>	<u>\$ (166,131)</u>	<u>\$ 12,517</u>
Liabilities:				
Intergovernmental Payable	\$ 12,573	\$ 166,075	\$ (166,131)	\$ 12,517
Total Liabilities	<u>\$ 12,573</u>	<u>\$ 166,075</u>	<u>\$ (166,131)</u>	<u>\$ 12,517</u>
<u>Alimony and Child Support</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 6,497	\$ 0	\$ (6,497)	\$ 0
Total Assets	<u>\$ 6,497</u>	<u>\$ 0</u>	<u>\$ (6,497)</u>	<u>\$ 0</u>
Liabilities:				
Due to Others	\$ 6,497	\$ 0	\$ (6,497)	\$ 0
Total Liabilities	<u>\$ 6,497</u>	<u>\$ 0</u>	<u>\$ (6,497)</u>	<u>\$ 0</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Inmate Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 168	\$ 106,899	\$ (104,307)	\$ 2,760
Total Assets	<u>\$ 168</u>	<u>\$ 106,899</u>	<u>\$ (104,307)</u>	<u>\$ 2,760</u>
Liabilities:				
Due to Others	\$ 168	\$ 106,899	\$ (104,307)	\$ 2,760
Total Liabilities	<u>\$ 168</u>	<u>\$ 106,899</u>	<u>\$ (104,307)</u>	<u>\$ 2,760</u>
<u>Township</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 3,002,905	\$ (3,002,905)	\$ 0
Intergovernmental Receivable	1,124,399	1,203,890	(1,124,399)	1,203,890
Total Assets	<u>\$ 1,124,399</u>	<u>\$ 4,206,795</u>	<u>\$ (4,127,304)</u>	<u>\$ 1,203,890</u>
Liabilities:				
Intergovernmental Payable	\$ 1,124,399	\$ 4,206,795	\$ (4,127,304)	\$ 1,203,890
Total Liabilities	<u>\$ 1,124,399</u>	<u>\$ 4,206,795</u>	<u>\$ (4,127,304)</u>	<u>\$ 1,203,890</u>
<u>Payroll Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 154,854	\$ 17,235,967	\$ (17,222,421)	\$ 168,400
Total Assets	<u>\$ 154,854</u>	<u>\$ 17,235,967</u>	<u>\$ (17,222,421)</u>	<u>\$ 168,400</u>
Liabilities:				
Intergovernmental Payable	\$ 154,187	\$ 6,219,243	\$ (6,205,471)	\$ 167,959
Due to Others	667	11,016,724	(11,016,950)	441
Total Liabilities	<u>\$ 154,854</u>	<u>\$ 17,235,967</u>	<u>\$ (17,222,421)</u>	<u>\$ 168,400</u>
<u>Park District</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$25,569	(\$24,475)	\$1,094
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 25,569</u>	<u>\$ (24,475)</u>	<u>\$ 1,094</u>
Liabilities:				
Due to Others	\$ 0	\$ 25,569	\$ (24,475)	\$ 1,094
Total Liabilities	<u>\$0</u>	<u>\$25,569</u>	<u>(\$24,475)</u>	<u>\$1,094</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2006**

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 3,755,264	\$ 75,783,445	\$ (75,696,862)	\$ 3,841,847
Cash and Cash Equivalents in Segregated Accounts	651,527	10,429,442	(10,730,987)	349,982
Receivables:				
Taxes	51,351,560	52,771,942	(51,351,560)	52,771,942
Accounts	6,172	7,075	(6,172)	7,075
Special Assessments	141	0	(141)	0
Intergovernmental	3,211,979	3,290,249	(3,211,979)	3,290,249
Total Assets	<u>\$ 58,976,643</u>	<u>\$ 142,282,153</u>	<u>\$ (140,997,701)</u>	<u>\$ 60,261,095</u>
Liabilities:				
Intergovernmental Payable	\$ 56,966,788	\$ 123,217,800	\$ (121,448,676)	\$ 58,735,912
Undistributed Monies	644,862	347,222	(644,862)	347,222
Due to Others	1,364,993	18,717,131	(18,904,163)	1,177,961
Total Liabilities	<u>\$ 58,976,643</u>	<u>\$ 142,282,153</u>	<u>\$ (140,997,701)</u>	<u>\$ 60,261,095</u>

COMPONENT UNITS

KNOX COUNTY, OHIO

**Statement of Cash Flows
Component Units
For the Year Ended December 31, 2006**

	Knox New Hope Industries	Knox County Airport
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$242,019	\$406,415
Cash Payments to Suppliers for Goods and Services	(112,267)	(288,465)
Cash Payments to Employees for Service	(146,083)	(71,273)
Other Operating Receipts	3,733	26,622
Net Cash Provided (Used) by Operating Activities	<u>(12,598)</u>	<u>73,299</u>
<u>Cash Flows from Noncapital and Related Financing Activities:</u>		
Operating Grant	36,300	58,000
Net Cash Provided by Noncapital and Related Financing Activities	<u>36,300</u>	<u>58,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Capital Grant	0	2,207,007
Acquisition of Capital Assets	(1,750)	(2,732,898)
Proceeds from Sale of Capital Assets	35	0
Debt Principal Retirement	0	(43,876)
Interest Paid on Debt	0	(9,103)
Net Cash Used for Capital and Related Financing Activities	<u>(1,715)</u>	<u>(578,870)</u>
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	352	0
Withdrawal from Mutual Fund	70,000	0
Net Cash Used for Investing Activities	<u>70,352</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	92,339	(447,571)
Cash and Cash Equivalents at Beginning of Year	64,536	1,044,400
Cash and Cash Equivalents at End of Year	<u>\$156,875</u>	<u>\$596,829</u>
<u>Reconciliation of Cash and</u>		
<u>Cash Equivalents per the Statement of Net Assets:</u>		
Cash and Cash Equivalents	\$155,968	\$580,891
Cash with Fiscal and Escrow Agents	907	15,938
Cash and Cash Equivalents at End of Year	<u>\$156,875</u>	<u>\$596,829</u>
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided (Used) by Operating Activities:</u>		
Operating Income	\$6,905	\$37,986
Adjustments to Reconcile Operating Income to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	(11,400)	73,741
Miscellaneous Nonoperating Income (Expense)	0	(7,793)
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(32,285)	(3,588)
Decrease in Inventory	80	796
Increase (Decrease) in Accounts Payable	1,632	(32,323)
Increase in Accrued Wages and Benefits	8,355	0
Increase in Deferred Revenue	14,115	0
Increase in Due to Primary Government	0	4,480
Total Adjustments	<u>(19,503)</u>	<u>35,313</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$12,598)</u>	<u>\$73,299</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2006***

<u>Capital Assets</u>	
Land	\$3,511,122
Buildings and Improvements	26,924,065
Vehicles	2,631,480
Machinery and Equipment	4,455,294
Computer Equipment	1,027,637
Infrastructure	44,087,800
Total Capital Assets	<u>\$82,637,398</u>

<u>Investment in Capital Assets</u>	
Federal Grants	\$1,394,066
State Grants	3,074,920
Local Grants	448,736
General Fund	3,522,877
Special Revenue Funds	15,852,041
Capital Projects	46,243,664
Donations	1,711,042
Note or Bonded Debt	10,390,052
Total Investment in Capital Assets	<u>\$82,637,398</u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2006***

<u>Function and Category</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>
General Government	\$13,101,250	\$1,146,676	\$10,193,683
Judicial	422,753	17,043	50,031
Public Safety	9,508,884	13,056	7,560,216
Public Works	49,747,193	2,195,094	697,844
Health	3,760,041	5,006	3,676,417
Human Services	<u>6,097,277</u>	<u>134,247</u>	<u>4,745,874</u>
Total Capital Assets	<u><u>\$82,637,398</u></u>	<u><u>\$3,511,122</u></u>	<u><u>\$26,924,065</u></u>

KNOX COUNTY, OHIO

<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Computer Equipment</u>	<u>Infrastructure</u>
\$1,454,988	\$99,430	\$206,473	\$0
109,390	0	246,289	0
1,041,156	587,071	307,385	0
1,399,451	1,330,380	36,624	44,087,800
13,397	54,556	10,665	0
<u>436,912</u>	<u>560,043</u>	<u>220,201</u>	<u>0</u>
<u><u>\$4,455,294</u></u>	<u><u>\$2,631,480</u></u>	<u><u>\$1,027,637</u></u>	<u><u>\$44,087,800</u></u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2006***

<u>Function</u>	<u>December 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2006</u>
General Government	\$12,798,050	\$852,760	(\$549,560)	\$13,101,250
Judicial	412,911	38,494	(28,652)	422,753
Public Safety	9,556,349	92,751	(140,216)	9,508,884
Public Works	48,724,495	2,964,260	(1,941,562)	49,747,193
Health	2,436,151	2,054,920	(731,030)	3,760,041
Human Services	<u>5,958,686</u>	<u>175,996</u>	<u>(37,405)</u>	<u>6,097,277</u>
Total Capital Assets	<u>\$79,886,642</u>	<u>\$6,179,181</u>	<u>(\$3,428,425)</u>	<u>\$82,637,398</u>

STATISTICAL SECTION



STATISTICAL TABLES

This part of the County’s 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.

Contents

Financial Trends	S 3 – S 11
These schedules contain trend information to help the reader understand how the County’s financial position has changed over time.	
Revenue Capacity	S 12 – S 19
These schedules contain information to help the reader understand and assess the factors affecting the County’s ability to generate its most significant local revenue sources, which is property tax.	
Debt Capacity	S 20 – S 29
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.	
Economic and Demographic Information	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 41
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.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive 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.	



Knox County, Ohio

*Net Assets by Component
Last Four Years
(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt (1)	\$41,056,331	\$41,903,085	\$43,886,006	\$46,821,271
Restricted	13,036,753	16,527,301	17,680,936	19,237,519
Unrestricted	6,935,912	5,031,146	4,973,565	5,671,412
Total Governmental Activities Net Assets	<u>\$61,028,996</u>	<u>\$63,461,532</u>	<u>\$66,540,507</u>	<u>\$71,730,202</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$3,025,719	\$2,979,054	\$2,865,970	\$2,801,699
Unrestricted (Deficit)	(299,060)	60,693	411,799	673,904
Total Business-type Activities Net Assets	<u>\$2,726,659</u>	<u>\$3,039,747</u>	<u>\$3,277,769</u>	<u>\$3,475,603</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$44,082,050	\$44,882,139	\$46,751,976	\$49,622,970
Restricted	13,036,753	16,527,301	17,680,936	19,237,519
Unrestricted	6,636,852	5,091,839	5,385,364	6,345,316
Total Primary Government Net Assets	<u>\$63,755,655</u>	<u>\$66,501,279</u>	<u>\$69,818,276</u>	<u>\$75,205,805</u>

(1) Net assets were restated for 2003 as a result of reporting infrastructure capital assets in 2004.

Source: County Auditor's Office

Knox County, Ohio

*Changes in Net Assets
Last Four Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Expenses				
Governmental Activities:				
Legislative and Executive	\$7,089,635	\$7,278,991	\$6,122,181	\$6,108,746
Judicial	1,769,703	1,934,458	2,039,252	2,212,826
Public Safety	5,386,148	5,733,059	6,043,282	6,052,403
Public Works (1)	3,636,612	5,427,085	5,712,117	5,536,608
Health	466,347	478,172	395,115	450,181
Human Services	11,960,600	12,136,393	11,524,199	12,082,987
Intergovernmental	0	0	1,684,505	1,651,020
Interest and Fiscal Charges	619,855	584,434	553,327	520,280
<i>Total Governmental Activities Expenses</i>	<u>30,928,900</u>	<u>33,572,592</u>	<u>34,073,978</u>	<u>34,615,051</u>
Business-type Activities:				
Sewer	956,011	1,070,213	1,230,448	1,187,566
Landfill	(250,562)	0	0	34,461
<i>Total Business-type Activities Expenses</i>	<u>705,449</u>	<u>1,070,213</u>	<u>1,230,448</u>	<u>1,222,027</u>
<i>Total Primary Government Expenses</i>	<u>\$31,634,349</u>	<u>\$34,642,805</u>	<u>\$35,304,426</u>	<u>\$35,837,078</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Legislative and Executive	\$1,791,213	\$1,621,133	\$1,465,367	\$1,495,793
Judicial	594,876	575,094	614,890	618,580
Public Safety	524,686	706,810	723,825	668,569
Public Works	34,775	20,935	121,981	88,200
Health	159,619	139,786	151,504	148,866
Human Services	218,962	183,466	317,279	317,346
Operating Grants and Contributions	11,219,722	14,788,683	12,593,812	15,852,404
Capital Grants and Contributions	657,936	1,547,194	1,309,141	2,514,692
<i>Total Governmental Activities Program Revenues</i>	<u>15,201,789</u>	<u>19,583,101</u>	<u>17,297,799</u>	<u>21,704,450</u>

(1) Expenses were restated for 2003 as a result of reporting infrastructure capital assets in 2004.

(Continued)

Knox County, Ohio

*Changes in Net Assets
Last Four Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Business-type Activities:				
Charges for Services				
Sewer	1,056,339	1,143,970	1,262,302	1,236,912
Capital Grants and Contributions	178,508	168,456	145,523	74,693
<i>Total Business-type Activities Program Revenues</i>	<u>1,234,847</u>	<u>1,312,426</u>	<u>1,407,825</u>	<u>1,311,605</u>
<i>Total Primary Government Program Revenues</i>	<u>16,436,636</u>	<u>20,895,527</u>	<u>18,705,624</u>	<u>23,016,055</u>
Net (Expense)/Revenue				
Governmental Activities	(15,727,111)	(13,989,491)	(16,776,179)	(12,910,601)
Business-type Activities	529,398	242,213	177,377	89,578
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$15,197,713)</u>	<u>(\$13,747,278)</u>	<u>(\$16,598,802)</u>	<u>(\$12,821,023)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$4,529,804	\$3,457,090	\$3,784,744	\$4,022,446
Special Purposes	1,898,784	3,845,521	4,114,004	3,902,459
Sales Taxes	4,599,207	4,808,365	5,262,248	5,359,260
Intergovernmental Revenues, Unrestricted	2,311,657	1,943,098	1,849,740	2,027,126
Investment Earnings	336,429	413,663	734,177	1,241,601
Miscellaneous	945,500	2,025,165	2,161,733	1,561,855
Transfers	(797,113)	(70,875)	(60,645)	(14,451)
<i>Total Governmental Activities</i>	<u>13,824,268</u>	<u>16,422,027</u>	<u>17,846,001</u>	<u>18,100,296</u>
Business-type Activities:				
Investment Earnings	0	0	0	93,805
Transfers	797,113	70,875	60,645	14,451
<i>Total Business-type Activities</i>	<u>797,113</u>	<u>70,875</u>	<u>60,645</u>	<u>108,256</u>
<i>Total Primary Government</i>	<u>\$14,621,381</u>	<u>\$16,492,902</u>	<u>\$17,906,646</u>	<u>\$18,208,552</u>
Change in Net Assets				
Governmental Activities	(\$1,902,843)	\$2,432,536	\$1,069,822	\$5,189,695
Business-type Activities	1,326,511	313,088	238,022	197,834
<i>Total Primary Government Change in Net Assets</i>	<u>(\$576,332)</u>	<u>\$2,745,624</u>	<u>\$1,307,844</u>	<u>\$5,387,529</u>

Source: County Auditor's Office

Knox County, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000	2001
General Fund					
Reserved	\$306,959	\$338,786	\$345,806	\$379,420	\$366,090
Unreserved	1,315,848	2,021,297	1,849,958	1,823,543	3,745,579
<i>Total General Fund</i>	<u>1,622,807</u>	<u>2,360,083</u>	<u>2,195,764</u>	<u>2,202,963</u>	<u>4,111,669</u>
All Other Governmental Funds					
Reserved	895,229	1,382,734	2,074,385	6,870,064	2,461,234
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	5,514,049	6,768,792	7,259,341	7,649,432	9,302,740
Debt Service Funds	209,364	245,613	260,826	498,177	578,545
Capital Projects Funds	3,484,462	2,497,751	2,298,132	(4,349,883)	2,210,498
<i>Total All Other Governmental Funds</i>	<u>10,103,104</u>	<u>10,894,890</u>	<u>11,892,684</u>	<u>10,667,790</u>	<u>14,553,017</u>
<i>Total Governmental Funds</i>	<u><u>\$11,725,911</u></u>	<u><u>\$13,254,973</u></u>	<u><u>\$14,088,448</u></u>	<u><u>\$12,870,753</u></u>	<u><u>\$18,664,686</u></u>

Source: County Auditor's Office

Knox County, Ohio

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$876,922	\$648,831	\$462,282	\$594,697	\$497,138
<u>2,841,066</u>	<u>2,554,864</u>	<u>2,622,071</u>	<u>1,700,477</u>	<u>1,988,947</u>
<u>3,717,988</u>	<u>3,203,695</u>	<u>3,084,353</u>	<u>2,295,174</u>	<u>2,486,085</u>
1,513,524	1,909,605	1,838,062	2,183,810	2,233,541
8,792,392	8,049,545	10,093,651	11,804,232	12,891,879
635,619	0	0	0	0
<u>1,878,745</u>	<u>2,107,380</u>	<u>1,245,265</u>	<u>819,622</u>	<u>411,586</u>
<u>12,820,280</u>	<u>12,066,530</u>	<u>13,176,978</u>	<u>14,807,664</u>	<u>15,537,006</u>
<u>\$16,538,268</u>	<u>\$15,270,225</u>	<u>\$16,261,331</u>	<u>\$17,102,838</u>	<u>\$18,023,091</u>

Knox County, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Revenues:				
Taxes	\$8,069,612	\$8,522,953	\$9,116,222	\$10,018,445
Intergovernmental Revenues	10,817,066	12,163,802	12,480,135	17,532,176
Charges for Services	2,330,594	2,463,225	2,584,716	2,544,910
Licenses and Permits	93,573	105,306	107,900	97,070
Investment Earnings	998,870	1,095,352	1,233,607	1,524,354
Special Assessments	566,052	548,482	495,428	431,104
Fines and Forfeitures	68,278	95,066	63,819	72,799
All Other Revenue	274,978	875,929	1,195,467	742,434
Total Revenue	<u>23,219,023</u>	<u>25,870,115</u>	<u>27,277,294</u>	<u>32,963,292</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	3,162,637	3,480,262	3,622,019	4,511,051
Judicial	1,190,252	1,173,930	1,408,310	1,475,157
Public Safety	3,204,801	3,154,859	3,521,691	3,770,772
Public Works	3,451,947	4,399,121	4,501,269	4,469,823
Health	203,702	197,921	213,783	324,844
Human Services	7,194,904	8,059,404	10,272,419	11,335,746
Conservation and Recreation	0	1,119	34,000	0
Other	7,427	1,589	2,723	1,848
Intergovernmental	0	0	0	0
Capital Outlay	3,779,089	2,758,478	1,878,619	7,583,661
Debt Service:				
Principal Retirement	360,488	1,703,427	563,075	460,959
Interest and Fiscal Charges	248,938	407,768	358,936	331,368
Total Expenditures	<u>22,804,185</u>	<u>25,337,878</u>	<u>26,376,844</u>	<u>34,265,229</u>
Excess (Deficiency) of Revenues Over Expenditures	414,838	532,237	900,450	(1,301,937)

Knox County, Ohio

2001	2002	2003	2004	2005	2006
\$9,787,810	\$9,728,904	\$11,603,148	\$12,050,302	\$13,187,367	\$13,209,994
20,708,975	17,011,475	14,428,199	18,715,280	16,017,172	19,943,838
2,836,828	2,983,209	3,115,139	3,075,611	3,136,918	3,100,123
117,776	108,978	122,658	123,798	128,829	120,094
1,536,669	390,210	332,673	403,721	690,552	1,150,972
404,081	185,399	232,199	214,232	47,240	29,938
66,336	82,526	89,492	75,621	81,119	85,710
1,070,933	1,246,036	945,500	1,778,066	2,155,115	1,572,986
<u>36,529,408</u>	<u>31,736,737</u>	<u>30,869,008</u>	<u>36,436,631</u>	<u>35,444,312</u>	<u>39,213,655</u>
4,860,082	5,028,221	5,983,455	6,715,071	6,733,588	6,377,665
1,574,654	1,751,198	1,759,399	1,924,466	2,020,580	2,255,843
4,448,211	4,707,732	4,953,020	5,734,322	5,549,473	5,699,038
4,086,178	3,976,355	4,223,164	4,651,423	5,934,571	5,094,317
285,930	315,828	405,707	415,342	329,875	385,050
13,297,236	12,088,490	11,853,157	12,187,436	12,144,183	12,259,649
0	2,000	0	0	0	0
30,071	1,396	0	0	0	0
0	0	0	0	0	1,651,020
10,181,363	5,902,503	1,539,268	2,447,070	2,704,731	3,457,932
472,028	712,870	703,075	718,296	666,806	637,433
833,265	709,687	622,997	587,622	550,847	524,549
<u>40,069,018</u>	<u>35,196,280</u>	<u>32,043,242</u>	<u>35,381,048</u>	<u>36,634,654</u>	<u>38,342,496</u>
(3,539,610)	(3,459,543)	(1,174,234)	1,055,583	(1,190,342)	871,159

(Continued)

Knox County, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	0	0	51,844
Proceeds of Bonds	2,450,000	1,200,000	0	0
Proceeds of Notes	1,200,000	0	0	24,764
Inception of Capital Lease	0	0	0	0
Other Financing Sources - Capital Leases	59,149	0	0	0
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Transfers In	1,600,287	1,682,822	2,691,813	1,951,410
Transfers Out	(1,754,872)	(1,830,430)	(2,760,995)	(2,081,799)
Total Other Financing Sources (Uses)	<u>3,554,564</u>	<u>1,052,392</u>	<u>(69,182)</u>	<u>(53,781)</u>
Net Change in Fund Balance	<u>\$3,969,402</u>	<u>\$1,584,629</u>	<u>\$831,268</u>	<u>(\$1,355,718)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 3.19%	 10.07%	 3.85%	 2.86%

Source: County Auditor's Office

Knox County, Ohio

2001	2002	2003	2004	2005	2006
60,581	35,610	0	0	0	0
8,225,000	0	0	0	0	0
0	0	0	0	0	0
15,730	0	0	0	0	0
0	0	0	0	135,302	0
0	0	0	32,704	0	0
0	1,360,000	0	0	0	0
0	1,630	0	0	0	0
855,125	1,085,895	1,978,354	1,269,966	1,983,541	1,995,279
(940,225)	(1,245,742)	(2,131,323)	(1,340,841)	(2,044,186)	(2,009,730)
<u>8,216,211</u>	<u>1,237,393</u>	<u>(152,969)</u>	<u>(38,171)</u>	<u>74,657</u>	<u>(14,451)</u>
<u>\$4,676,601</u>	<u>(\$2,222,150)</u>	<u>(\$1,327,203)</u>	<u>\$1,017,412</u>	<u>(\$1,115,685)</u>	<u>\$856,708</u>
4.59%	4.72%	4.64%	4.30%	3.96%	3.66%

Knox County, Ohio

Assessed Valuations and Estimated True Values of Taxable Property
(per \$1,000 of assessed value)
Last Ten Years

Tax year	1997	1998	1999	2000
Real Property				
Assessed	\$525,720	\$534,118	\$551,110	\$664,739
Actual	1,502,057	1,526,051	1,574,600	1,899,254
Public Utility				
Assessed	51,596	48,978	49,306	48,862
Actual	206,384	195,910	197,233	195,446
Tangible Personal Property				
Assessed	79,247	92,328	101,276	105,495
Actual	316,988	369,312	405,104	421,980
Total				
Assessed	656,563	675,424	701,692	819,096
Actual	2,025,429	2,091,273	2,176,937	2,516,680
Assessed Value as a				
Percentage of Actual Value	32.42%	32.30%	32.23%	32.55%
Total Direct Tax Rate				
	\$8.70	\$8.70	\$8.70	\$8.70

Source: County Auditor's Office

Property is revalued every six years. Assessed value of Real Property are at 35% of Estimated True Value. Assessed value of Public Utility is at 25% and Assessed Value of Tangible Personal Property is at 25% through 2005 and at 18.75% for 2006.

Knox County, Ohio

2001	2002	2003	2004	2005	2006
\$693,254	\$707,736	\$809,928	\$832,520	\$853,649	\$954,584
1,980,726	2,022,103	2,314,080	2,378,629	2,438,997	2,727,383
46,059	38,254	38,990	39,157	39,394	39,517
184,234	153,015	155,961	156,630	157,577	158,068
123,909	97,689	111,165	104,743	101,788	96,790
495,636	390,756	444,660	418,972	407,152	516,213
863,222	843,679	960,083	976,420	994,831	1,090,891
2,660,596	2,565,874	2,914,701	2,954,231	3,003,726	3,401,664
32.44%	32.88%	32.94%	33.05%	33.12%	32.07%
\$8.70	\$8.70	\$9.70	\$9.70	\$9.70	\$9.70

Knox County, Ohio

Property Tax Rates of Direct and Overlapping Governments

(per \$1,000 of assessed value)

Last Ten Years

Collection Year	1997	1998	1999	2000
Direct District Rates				
General Fund	3.40	3.40	3.40	3.40
Mental Retardation	2.60	2.60	2.60	2.60
Children Services	1.30	1.30	1.30	1.30
Community Mental Health	1.00	1.00	1.00	1.00
Senior Citizens	0.00	0.00	0.00	0.00
Board of Health	0.40	0.40	0.40	0.40
Total	8.70	8.70	8.70	8.70
Overlapping Rates				
City of Mount Vernon	3.20	3.20	3.20	3.20
Villages	3.50 - 8.80	3.50 - 8.80	3.50 - 8.80	3.50 - 8.80
Townships	0.30 - 9.20	0.30 - 8.70	0.30 - 8.35	0.30 - 7.70
In County School Districts	39.20 - 49.20	34.10 - 49.20	34.10 - 49.20	34.10 - 49.20
Out of County School Districts	37.00 - 47.17	36.80 - 52.38	36.40 - 52.38	35.7 - 50.80
Joint Vocational School Districts	2.00 - 6.40	2.00 - 6.40	2.00 - 6.40	2.00 - 6.40
Other Units	0.80 - 4.50	0.80 - 4.50	0.80 - 4.50	0.80 - 4.50

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage of 10 mills.

Source:

Knox County Auditor's Office
Knox County Treasurer's Office

Knox County, Ohio

2001	2002	2003	2004	2005	2006
3.40	3.40	3.40	3.40	3.40	3.40
2.60	2.60	2.60	2.60	2.60	2.60
1.30	1.30	1.30	1.30	1.30	1.30
1.00	1.00	1.00	1.00	1.00	1.00
0.00	0.00	1.00	1.00	1.00	1.00
0.40	0.40	0.40	0.40	0.40	0.40
8.70	8.70	9.70	9.70	9.70	9.70
3.20	3.20	3.20	3.20	3.20	3.20
3.50 - 8.80	3.50 - 8.80	2.50 - 7.40	2.50 - 7.40	2.50 - 8.60	2.50 - 8.60
0.30 - 7.50	0.30 - 7.50	0.30 - 7.60	0.30 - 7.60	0.30 - 7.60	0.30 - 7.60
36.74 - 54.53	36.74 - 54.53	35.43 - 54.53	35.43 - 54.53	35.29 - 54.09	34.00 - 53.40
35.70 - 50.20	35.60 - 50.20	35.00 - 50.20	35.00 - 50.20	35.17 - 49.25	40.90 - 47.65
2.00 - 6.40	2.00 - 6.40	3.80 - 6.40	2.80 - 6.40	3.00 - 6.40	3.00 - 6.40
0.80 - 5.50	0.80 - 5.50	0.80 - 5.50	0.80 - 5.50	0.80 - 5.50	0.41 - 5.50



Knox County, Ohio

*Principal Taxpayers
Property Tax
Current Year and Nine Years Ago*

		2006		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Public Utility	\$17,850,860	1	1.64%
Rolls Royce Energy Systems Inc	Business	15,094,430	2	1.38%
Kenyon College	Business	14,190,170	3	1.30%
F T Precision Inc	Business	10,406,370	4	0.95%
Ariel Corporation	Business	8,685,730	5	0.80%
United Telephone Co of Ohio	Public Utility	6,533,040	6	0.60%
Licking Rural Electrification Inc	Public Utility	6,115,890	7	0.56%
Columbia Gas Transmission	Public Utility	4,998,520	8	0.46%
Weyerhaeuser Company	Business	4,481,450	9	0.41%
Cooper Cameron Corporation	Business	3,406,110	10	0.31%
Subtotal		91,762,570		8.41%
All Others		999,128,572		91.59%
Total		<u>\$1,090,891,142</u>		<u>100.00%</u>
		1997		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Cooper Cameron Corp	Business	\$29,067,240	1	4.43%
Ohio Power Company	Public Utility	17,570,680	2	2.68%
United Telephone Company	Public Utility	14,128,370	3	2.15%
Columbia Gas of Ohio	Public Utility	6,130,930	4	0.93%
Ariel Corporation	Business	5,422,120	5	0.83%
Columbia Gas Transmission	Public Utility	5,275,920	6	0.80%
Weyerhaeuser Corporation	Business	4,294,520	7	0.65%
Licking Rural Electrification	Public Utility	3,826,430	8	0.58%
Kenyon College	Business	3,367,500	9	0.51%
Glimcher Holdings	Business	2,885,220	10	0.44%
Subtotal		91,968,930		14.00%
All Others		564,595,041		86.00%
Total		<u>\$656,563,971</u>		<u>100.00%</u>

Source: County Auditor - Land and Buildings
Based on valuation of property in 2006 and 1997

Knox County, Ohio

Property Tax Levies and Collections

(amounts in thousands)

Last Ten Years

Collection Year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Current					
Tax Levy (1)	\$4,818,624	\$4,893,733	\$5,072,506	\$5,731,554	\$6,010,338
Current Tax Collections	4,202,322	4,278,591	4,454,675	5,050,645	5,252,434
Percent of Levy Collected	87.21%	87.43%	87.82%	88.12%	87.39%
Delinquent					
Tax Levy (1)	\$224,774	\$257,513	\$263,541	\$283,298	\$300,915
Tax Collections	<u>154,487</u>	<u>176,216</u>	<u>182,845</u>	<u>195,872</u>	<u>193,338</u>
Percent of Levy Collected	68.73%	68.43%	69.38%	69.14%	64.25%
Total					
Tax Levy (1)	\$5,043,398	\$5,151,246	\$5,336,047	\$6,014,852	\$6,311,253
Tax Collections	<u>4,356,809</u>	<u>4,454,807</u>	<u>4,637,520</u>	<u>5,246,517</u>	<u>5,445,772</u>
Percent of Levy Collected	86.39%	86.48%	86.91%	87.23%	86.29%

(1) Taxes levied and collected are presented on a cash basis.

Source: County Auditor's Office

Knox County, Ohio

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$6,064,379	\$7,427,715	\$7,769,928	\$8,242,873	\$8,472,409
5,270,552	6,465,083	6,723,319	6,938,026	7,167,658
86.91%	87.04%	86.53%	84.17%	84.60%
\$353,530	\$400,175	\$471,156	\$465,790	\$385,170
227,214	252,150	314,638	336,393	290,919
64.27%	63.01%	66.78%	72.22%	75.53%
\$6,417,909	\$7,827,890	\$8,241,084	\$8,708,663	\$8,857,579
5,497,766	6,717,233	7,037,957	7,274,419	7,458,577
85.66%	85.81%	85.40%	83.53%	84.21%

Knox County, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$3,650,000	\$3,575,000	\$3,455,000	\$3,335,000
Special Assessment Bonds Payable	1,869,000	1,582,000	1,280,000	1,000,000
Installment Note	460,000	420,000	375,000	330,000
OPWC Loan Payable	0	0	0	0
Capital Leases	45,265	21,981	0	0
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	<u>\$0</u>	<u>\$0</u>	<u>\$79,325</u>	<u>\$77,803</u>
Total Primary Government	<u><u>\$6,024,265</u></u>	<u><u>\$5,598,981</u></u>	<u><u>\$5,189,325</u></u>	<u><u>\$4,742,803</u></u>
Population ⁽²⁾				
Knox County	52,832	53,543	54,061	54,655
Outstanding Debt Per Capita	\$114	\$105	\$96	\$87
Income ⁽²⁾				
Personal (in thousands)	1,096,475	1,148,069	1,170,853	1,267,832
Percentage of Personal Income	0.55%	0.49%	0.44%	0.37%

Sources:

(1) Source: County Auditor's Office

(2) US Department of Commerce, Bureau of Economic Analysis

Knox County, Ohio

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$11,435,000	\$12,385,000	\$11,910,000	\$11,420,000	\$10,910,000	\$10,380,000
695,000	430,000	260,000	90,000	0	0
280,000	230,000	175,000	120,000	60,000	0
0	0	0	32,704	29,434	26,163
13,702	10,832	7,757	4,461	136,227	92,065
<u>\$76,196</u>	<u>\$74,498</u>	<u>\$72,705</u>	<u>\$70,811</u>	<u>\$68,810</u>	<u>\$66,695</u>
<u>\$12,499,898</u>	<u>\$13,130,330</u>	<u>\$12,425,462</u>	<u>\$11,737,976</u>	<u>\$11,204,471</u>	<u>\$10,564,923</u>
55,445	56,275	57,057	57,757	54,500	58,561
\$225	\$233	\$218	\$203	\$206	\$180
1,313,215	1,350,600	1,398,524	1,490,881	1,429,099	1,535,587
0.95%	0.97%	0.89%	0.79%	0.78%	0.69%

Knox County, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1997	1998	1999	2000
Population (1)	52,832	53,543	54,061	54,655
Assessed Value (In thousands) (2)	\$656,563	\$675,424	\$701,692	\$819,096
General Bonded Debt (3)				
General Obligation Bonds	\$3,650,000	\$3,575,000	\$3,455,000	\$3,335,000
Resources Available to Pay Principal (4)	\$158,086	\$245,316	\$260,826	\$498,148
Net General Bonded Debt	\$3,491,914	\$3,329,684	\$3,194,174	\$2,836,852
Ratio of Net Bonded Debt to Estimated Actual Value	0.53%	0.49%	0.46%	0.35%
Net Bonded Debt per Capita	\$66.09	\$62.19	\$59.08	\$51.90

Source:

- (1) US Department of Commerce, Bureau of Economic Analysis
- (2) Source: County Auditor's Office
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

Knox County, Ohio

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
55,445	56,275	57,057	57,757	54,500	58,561
\$863,222	\$843,679	\$960,083	\$976,420	\$994,831	\$1,090,891
\$11,435,000	\$12,385,000	\$11,910,000	\$11,420,000	\$10,910,000	\$10,380,000
\$578,365	\$635,439	\$654,049	\$709,423	\$635,926	\$655,708
\$10,856,635	\$11,749,561	\$11,255,951	\$10,710,577	\$10,274,074	\$9,724,292
1.26%	1.39%	1.17%	1.10%	1.03%	0.89%
\$195.81	\$208.79	\$197.28	\$185.44	\$188.52	\$166.05



Knox County, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2006*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to County (1)	Amount Applicable to County
Direct:			
Knox County	\$10,380,000	100.00%	\$10,380,000
Overlapping:			
All Cities wholly within the County	206,395	100.00%	206,395
All Townships wholly within the County	389,918	100.00%	389,918
All School Districts wholly within the County	15,626,995	100.00%	15,626,995
Clear Fork School District	7,018,511	6.10%	<u>428,129</u>
		Subtotal	<u>16,651,437</u>
		Total	<u><u>\$27,031,437</u></u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located with the boundaries of the County by the total assessed valuation of the political subdivision.
The valuations used were for the 2006 collection year.

Source: Knox County Auditor

Knox County, Ohio

Debt Limitations Last Ten Years

Collection Year	1997	1998	1999	2000
Total Debt				
Net Assessed Valuation	\$656,563,971	\$675,423,003	\$701,692,107	\$819,095,981
Legal Debt Limitation (%) ^{(1)(a)}	2.27%	2.28%	2.29%	2.32%
Legal Debt Limitation (\$) ⁽¹⁾	14,914,099	15,385,575	16,042,303	18,977,400
County Debt Outstanding ⁽²⁾	4,289,100	4,093,050	3,830,000	3,665,000
Less: Applicable Debt Service Fund Amounts	(209,364)	(245,316)	(260,826)	(498,148)
Net Indebtedness Subject to Limitation	<u>4,079,736</u>	<u>3,847,734</u>	<u>3,569,174</u>	<u>3,166,852</u>
Overall Legal Debt Margin	<u><u>\$10,834,363</u></u>	<u><u>\$11,537,841</u></u>	<u><u>\$12,473,129</u></u>	<u><u>\$15,810,548</u></u>
Unvoted Debt				
Net Assessed Valuation	\$656,563,971	\$675,423,003	\$701,692,107	\$819,095,981
Legal Debt Limitation (%) ^{(1)(b)}	1.00%	1.00%	1.00%	1.00%
Legal Debt Limitation (\$) ⁽¹⁾	6,565,640	6,754,230	7,016,921	8,190,960
County Debt Outstanding ⁽²⁾	4,289,100	4,093,050	3,830,000	3,665,000
Less: Applicable Debt Service Fund Amounts	(209,364)	(245,316)	(260,826)	(498,148)
Net Indebtedness Subject to Limitation	<u>4,079,736</u>	<u>3,847,734</u>	<u>3,569,174</u>	<u>3,166,852</u>
Overall Legal Debt Margin	<u><u>\$2,485,904</u></u>	<u><u>\$2,906,496</u></u>	<u><u>\$3,447,747</u></u>	<u><u>\$5,024,108</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(a) 3% of first \$100,000,000 of assessed value, 1.5% of next \$200,000,000; 2.5% of assessed value in excess of \$300,000,000.

(b) 1% of assessed value.

(2) County Debt Outstanding excludes Special Assessment Bonds and Correctional Facility Bonds

Source: Knox County Auditor

Knox County, Ohio

2001	2002	2003	2004	2005	2006
\$863,221,722	\$843,678,684	\$960,084,059	\$976,420,398	\$994,830,648	\$1,090,891,142
2.33%	2.32%	2.34%	2.35%	2.35%	2.36%
20,080,543	19,591,967	22,502,101	22,910,510	23,370,766	25,772,279
4,855,000	6,025,000	5,778,000	5,524,000	5,258,000	4,980,000
(578,365)	635,439	(654,049)	(709,423)	(635,926)	(655,708)
<u>4,276,635</u>	<u>6,660,439</u>	<u>5,123,951</u>	<u>4,814,577</u>	<u>4,622,074</u>	<u>4,324,292</u>
<u>\$15,803,908</u>	<u>\$12,931,528</u>	<u>\$17,378,150</u>	<u>\$18,095,933</u>	<u>\$18,748,692</u>	<u>\$21,447,987</u>

\$863,221,722	\$843,678,684	\$960,084,059	\$976,420,398	\$994,830,648	\$1,090,891,142
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
8,632,217	8,436,787	9,600,841	9,764,204	9,948,306	10,908,911
4,855,000	6,025,000	5,778,000	5,524,000	5,258,000	4,980,000
(578,365)	635,439	(654,049)	(709,423)	(635,926)	(655,708)
<u>4,276,635</u>	<u>6,660,439</u>	<u>5,123,951</u>	<u>4,814,577</u>	<u>4,622,074</u>	<u>4,324,292</u>
<u>\$4,355,582</u>	<u>\$1,776,348</u>	<u>\$4,476,890</u>	<u>\$4,949,627</u>	<u>\$5,326,232</u>	<u>\$6,584,619</u>

Knox County, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	1997	1998	1999	2000
Special Assessment Bonds (1)				
Special Assessment Collections	\$557,791	\$538,589	\$492,755	\$426,268
Debt Service				
Principal	292,000	292,000	302,000	295,000
Interest	211,594	182,838	149,081	119,769
Coverage	1.11	1.13	1.09	1.03

(1) Sewer District Special Assessment Bonds were issued in 1982 for \$ 620,000, in 1984 for \$650,000, and in 1985 for \$940,000.

Source: Knox County Auditor

Knox County, Ohio

2001	2002	2003	2004	2005	2006
\$398,271	\$326,743	\$224,787	\$201,221	\$37,155	\$18,195
295,000	250,000	170,000	170,000	90,000	0
90,894	62,025	37,925	22,731	7,538	0
1.03	1.05	1.08	1.04	0.38	N/A

Knox County, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	1997	1998	1999	2000
Population (1)				
Knox County	52,832	53,543	54,061	54,655
Income (1)				
Total Personal (in thousands)	1,096,475	1,148,069	1,170,853	1,267,832
Per Capita (1)(a)	20,754	21,442	21,658	23,197
Unemployment Rate (2)				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Knox County	4.5%	4.7%	4.7%	4.0%
Civilian Work Force Estimates (2)				
State	5,710,000	5,678,000	5,749,000	5,900,400
Knox County	26,600	26,200	26,300	26,000
Employment Distribution by Occupation (3)				
Manufacturing	4,274	4,274	4,274	4,274
Wholesale/Retail	2,847	2,847	2,847	2,847
Services	3,626	3,626	3,626	3,626
State and Local Government	2,575	2,575	2,575	2,575
Finance, Insurance, Real Estate	482	482	482	482
Transportation and Public Utilities	396	396	396	396
Construction	893	893	893	893
Agriculture, Forestry, Fisheries and Mining	321	321	321	321

Sources:

(1) US Department of Commerce, Bureau of Economic Analysis

(a) Information is only available through 2005. For the presentation of 2006 statistics the County is using the latest information available

(2) State Department of Labor Statistics

(3) US Bureau of Census of Population

Knox County, Ohio

2001	2002	2003	2004	2005	2006
55,445	56,275	57,057	57,757	54,500	58,561
1,313,215	1,350,600	1,398,524	1,490,881	1,429,099	1,535,587
23,685	24,000	24,511	25,813	26,222	26,222
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
3.7%	4.7%	5.8%	5.6%	5.4%	5.1%
5,857,000	5,828,000	5,915,000	5,875,300	5,900,400	5,934,000
26,600	26,900	27,600	29,200	30,100	30,500
4,542	4,542	4,151	4,476	4,151	4,151
3,799	3,799	2,502	2,443	2,502	2,502
4,372	4,372	6,583	6,296	6,583	6,583
2,705	2,705	2,830	2,760	2,830	2,830
533	533	555	528	555	555
429	429	179	264	179	179
755	755	812	777	812	812
343	343	209	212	209	209



Knox County, Ohio

Principal Employers Current Year and One Year Ago

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Rolls Royce Energy Systems	Business	850	1	0.03
Ariel Corporation	Business	835	2	0.03
Kenyon College	School	602	3	0.02
Knox Community Hospital	Business	573	4	0.02
Mount Vernon Developmental	Business	473	5	0.02
Mount Vernon City Schools	School	448	6	0.01
Mount Vernon Nazarene University	School	427	7	0.01
Knox County	County Government	426	8	0.01
Kokosing Construction Co Inc	Business	400	9	0.01
Wal Mart	Business	327	10	0.01
Total		<u>5,361</u>		
Total Employment within the County		<u><u>30,500</u></u>		

Employer	Nature of Business	2005		
		Number of Employees	Rank	Percentage of Total Employment
Rolls Royce Energy Systems	Business	850	1	0.03
Ariel Corporation	Business	835	2	0.03
Kenyon College	School	697	3	0.02
Mount Vernon Nazarene University	School	537	4	0.02
TRW Automotives	Business	513	5	0.02
Knox Community Hospital	Business	483	6	0.02
Mount Vernon City Schools	School	481	7	0.02
Mount Vernon Developmental	Business	463	8	0.02
Knox County	County Government	425	9	0.01
Kokosing Construction Co Inc	Business	400	10	0.01
Total		<u>5,684</u>		
Total Employment within the County		<u><u>30,100</u></u>		

Sources:

Area Development Foundation

Information on Principal Employers is not available prior to 2005.

Knox County, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	1997	1998	1999	2000	2001
Governmental Activities					
General Government					
Legislative and Executive					
Commissioners	16	17	15	15	21
Auditor	9	9	11	10	11
Treasurer	6	5	5	5	5
Prosecutor	7	8	8	8	8
Board of Elections	4	4	4	4	4
Recorder	4	5	6	6	6
Judicial					
Public Defender	6	6	6	7	6
Probate	4	4	4	4	4
Clerk of Courts	11	10	12	11	11
Common Pleas	7	7	7	10	9
Juvenile	11	11	14	19	18
Municipal Court	3	4	4	4	4
Public Safety					
Sheriff	47	48	50	54	53
911 Emergency Calling	18	17	20	20	20
Coroner	1	1	1	1	1
Emergency Management Agency	2	2	2	2	2
Public Works					
Roads and Bridges	41	41	40	41	39
Maps	3	3	3	3	3
Human Services					
MRDD	61	67	72	76	76
Public Assistance	45	43	45	53	54
Child Support Enforcement	13	13	12	10	12
Childrens Services	18	18	15	15	17
Veterans Services	2	2	3	3	2
Health					
Animal Control	3	3	3	3	3
Business-Type Activities					
Utilities					
Sewer	9	9	10	10	12
<i>Total Employees</i>	<u>351</u>	<u>357</u>	<u>372</u>	<u>394</u>	<u>401</u>

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

Source: County Auditor's Office

Knox County, Ohio

2002	2003	2004	2005	2006
22	18	16	18	17
12	12	10	10	10
5	5	5	5	5
8	7	8	8	7
4	4	4	4	5
6	6	6	5	6
6	6	6	6	6
3	6	6	4	5
12	13	14	11	10
9	10	10	11	12
19	17	18	15	16
4	4	4	4	4
56	60	64	66	65
23	24	26	26	25
1	1	1	1	1
2	3	2	2	3
39	40	36	39	38
3	3	3	3	3
82	86	90	83	77
56	55	55	56	61
14	14	13	13	13
18	15	15	15	15
2	3	4	6	6
3	4	3	3	5
9	10	11	11	11
418	426	430	425	426

Knox County, Ohio

Operating Indicators by Function Last Ten Years

	1997	1998	1999	2000	2001
Governmental Activities					
General Government					
Legislative and Executive					
Number of Tax Bills	37,363	38,035	38,391	38,764	39,373
Number of Registered Voters	30,611	32,089	32,721	35,140	30,709
Number of Documents Recorded	30,341	35,021	34,252	31,258	20,069
Judicial					
Number of Probation Cases	373	408	395	365	358
Number of Traffic Cases	599	599	649	502	543
Number of Marriage Licenses	412	387	435	423	393
Public Safety					
Sheriff					
Number of Burglaries	137	233	185	158	167
Number of Larceny Investigations	332	370	413	485	462
Number of Traffic Accidents	610	434	542	531	548
Public Works					
Roads and Bridges					
Number of Tons of Asphalt Used	12,228	19,097	16,064	11,141	14,102
Number of Bridges Replaced	6	9	1	9	6
Number of Culverts Replaced	122	45	52	31	45
Human Service					
MRDD					
Number of Programs Offered	6	6	6	6	6
Number of Individuals Served	293	296	290	307	325
Number of Individuals on Waiting Lists	56	57	57	105	158
Health					
Number of Birth & Death Certificates Issued	4,018	4,595	4,537	4,155	4,106
Number of Sewage Permits Issued	369	361	350	294	276
Number of Patients Served in Medical Clinic	464	773	502	517	404

Knox County, Ohio

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
39,768	40,126	40,444	40,719	41,374
31,630	31,897	36,972	34,776	36,349
18,556	21,325	15,925	16,242	14,819
301	305	298	309	277
551	476	391	416	442
401	396	429	467	462
193	178	159	199	140
312	377	408	381	375
435	446	392	292	249
6,551	17,309	8,458	13,654	3,816
7	13	16	13	15
31	46	132	117	122
6	6	5	5	5
363	341	379	396	345
107	120	242	237	289
4,267	4,314	4,340	4,440	4,312
315	278	263	218	284
1,198	1,471	1,502	1,740	1,662

(Continued)

Knox County, Ohio

*Operating Indicators by Function
Last Ten Years*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Business-Type Activities					
Sewer					
Number of Water Leaks	9	15	18	22	25
Number of New Services	124	115	104	116	109
Number of Install of Grinder Units	4	2	8	3	3

Source: Knox County Auditor

Knox County, Ohio

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
23	34	14	12	12
99	122	99	101	65
3	1	2	4	4

Knox County, Ohio

Capital Asset Statistics by Function Last Ten Years

	1997	1998	1999	2000	2001
Governmental Activities					
General Government					
Legislative and Executive	292.629	292.629	292.629	296.799	296.799
Land (acres)	8	9	10	10	54
Buildings	1	2	3	3	4
Vehicles					
Judicial					
Land (acres)	2	2	2	2	2
Public Safety					
Sheriff					
Stations	1	1	1	1	1
Vehicles	23	23	26	26	27
Public Works					
Land (acres)	10.680	10.680	10.680	10.680	10.180
Buildings	8	8	9	8	8
Vehicles	48	51	52	52	48
Health					
Land (acres)	3.180	3.180	3.180	3.180	3.180
Buildings	2	2	2	2	3
Vehicles	3	3	3	3	3
Human Services					
Land (acres)	23.546	23.546	23.546	23.546	23.546
Buildings	13	13	13	13	13
Vehicles	21	21	21	20	21
Business-Type Activities					
Utilities					
Sewer					
Land (acres)	86.626	86.626	86.626	86.626	86.626
Buildings	19	19	19	19	19
Sewerlines (Miles)	1,001,268	1,001,268	1,001,268	1,001,268	1,001,268
Vehicles	7	7	7	5	7
Landfill					
Land (acres)	229.569	229.569	211.669	229.569	229.569

Source: County Auditor's Office

Knox County, Ohio

2002	2003	2004	2005	2006
296.799	272.592	272.592	272.592	272.592
54	54	54	55	55
4	5	6	5	5
2	2	2	2	2
1	1	1	1	1
28	29	30	32	33
10.180	10.180	10.180	10.180	10.180
8	8	8	8	8
47	46	46	44	44
3.180	3.180	3.180	3.180	3.180
3	3	3	3	5
3	4	4	4	4
23.546	23.546	23.546	23.546	23.546
13	13	13	13	13
21	20	21	16	18
86.626	86.626	86.626	86.626	86.626
19	19	19	19	19
1,001,268	1,001,268	1,001,268	1,001,268	1,001,268
7	7	7	7	7
229.569	229.569	229.569	229.569	229.569





Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

KNOX COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 26, 2007**