

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, 2007

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	\$ 147,705
Direct Program: Airport Improvement Program	20.106	N/A	<u>550,321</u>
Total U.S. Department of Transportation			<u>698,026</u>
United States Department of Agriculture			
Direct Program: Community Facilities Loans and Grants	10.766	N/A	<u>15,938</u>
United States Department of Labor:			
WIA Cluster Passed-through Ohio Department of Job and Family Services: Passed-through Montgomery County Auditor, WIA Area 7 Board			
Workforce Investment Act - Adult			145,638
Workforce Investment Act - Adult Administrative			<u>10,341</u>
Workforce Investment Act - Adult Total	17.258	31-6400072	155,979
Workforce Investment Act - Youth			128,337
Workforce Investment Act - Youth Administrative			<u>3,703</u>
Workforce Investment Act - Youth Total	17.259	31-6400072	132,040
Workforce Investment Act - Dislocated Worker			69,476
Workforce Investment Act - Dislocated Worker Administrative			<u>6,085</u>
Workforce Investment Act - Dislocated Worker Total	17.260	31-6400072	75,561
Workforce Investment Act - Rapid Response	17.260	31-6400072	<u>6,888</u>
Total WIA Cluster			<u>370,468</u>
Workforce Investment Act - Memorandum of Understanding Payments	17.225	31-6400072	<u>41,975</u>
Total U. S. Department of Labor			<u>412,443</u>
United States Election Assistance Commission:			
Passed-through Ohio Secretary of State: Help America Vote Act Requirements Payments	90.401	E06-0200-042	2,209
United States Department of Health and Human Services:			
Passed-through Ohio Department of Mental Retardation and Developmental Disabilities:			
Social Services Block Grant - Title XX	93.667	31-6400072	31,945
State Children's Insurance Program - Title XXI	93.767	31-6400072	5,039
Title XIX	93.778	31-6400072	98,898
Targeted Case Management	93.778	31-6400072	303,276
Waiver Administration	93.778	31-6400072	<u>97,061</u>
Total Medical Assistance Program			<u>499,235</u>
Total U.S. Department of Health and Human Services			<u>536,219</u>

KNOX COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)

Federal Program	CFDA #	Pass-through Agency Awarding Number	Expenditures
United States Department of Homeland Security:			
Passed through Ohio Emergency Management Agency:			
Homeland Security Program (Cluster):			
Citizen Corps	97.067	2006-GC-T6-0051	7,313
State Homeland Security Program		2006-GE-T6-0051	10,426
Total Homeland Security Program:			<u>17,739</u>
Emergency Management Performance Grants	97.042	2007-EM-E7-0024	<u>4,378</u>
Total U.S. Department of Homeland Security			<u>22,117</u>
United States Department of Justice:			
Passed through the Ohio Attorney General:			
Crime Victims Assistance	16.575	2006SAGENE334T	30,426
Passed through the Ohio Department of Youth Services:			
Juvenile Accountability Incentive Block Grant	16.523	2004-JB-012-B015	16,620
Passed through the Ohio Department of Public Safety:			
Edward Byrne Memorial Formula Grant	16.579	2005-JG-C01-6298	5,021
Edward Byrne Memorial Justice Assistance Grant	16.738	2005-JG-C01-6298A	<u>36,491</u>
Total U.S. Department of Justice			<u>88,558</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	<u>116,442</u>
Community Development Block Grant / State's Program	14.228	BF-06-039-1	39,306
		BC-06-039-1	140,137
		BF-05-039-1	112,149
		BC-04-039-1	<u>19,124</u>
Total Community Development Block Grant / State's Program			<u>310,716</u>
Total U.S. Department of Housing and Urban Development			<u>427,158</u>
Total			<u>\$ 2,202,668</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, 2007

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - 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, 2007, the gross amount of loans outstanding under this program was \$76,193.

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 – 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, 2007, \$747,400 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Knox County, Ohio, (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 11, 2008. 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: 2007-002 through 2007-004.

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

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

We also noted certain internal control matters that we reported to the County's management in a separate letter dated June 11, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated June 11, 2008.

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

We intend this report solely for the information and use of the audit committee, management, the 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 11, 2008



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, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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, 2007.

Internal Control Over Compliance

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

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

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that the County's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as finding 2007-005 to be a significant deficiency.

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

The County's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the County's response and, accordingly, we express no opinion on it.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2007, and have issued our report thereon dated June 11, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, the 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 11, 2008

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

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 significant deficiencies in internal control 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 significant deficiencies in internal control reported for major federal programs?	Yes
(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 # 20.106 – Airport Improvement Program CFDA #'s 17.258, 17.259, 17.260, - Workforce Investment Act Cluster CFDA #93.778 – Medical Assistance Program CFDA # 14.239 – Home Investment Partnerships 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, 2007
(Continued)

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

FINDING NUMBER 2007-001

Non-Compliance Citation

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, 2007
(Continued)**

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

FINDING NUMBER 2007-001 (Continued)

Non-Compliance Citation (Continued)

Prior Certification (Continued)

Fifteen 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.

OFFICIALS' RESPONSE:

Margaret Ann Ruhl, County Auditor – Changes were implemented in September 2007 to assure better communication between the Auditor's Office and other departments. I believe this to be corrected in 2008.

FINDING NUMBER 2007-002

Non-Compliance Citation - Significant Deficiency

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.

Ohio Rev. Code Section 325.31(A) generally provides that on the first business day of each month the Sheriff is to pay all fees, costs, penalties, etc., into the County Treasury.

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)

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

FINDING NUMBER 2007-002 (Continued)

Non-Compliance Citation - Significant Deficiency (Continued)

Sheriff's Department Accounting System (Continued)

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, 2007 an unreconciled difference of \$2,712 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, 2007, fees collected during the year totaling \$5,136 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.

OFFICIALS' RESPONSE:

Sheriff David Barber -

- * Daily postings will be implemented to the cashbook
 - o In addition to postings, all cross-reference of postings will be done daily
 - o All receipts will be posted up to 12:00 p.m. last business day of each month so all monthly pay-ins will be calculated and paid into County Treasurer last business day of each month.
 - o Spreadsheet with monthly pay-ins, including the breakdown of fees and sheriff sales pay-ins will be printed monthly and signed by the Sheriff.
 - o Fees will be received by one individual, receipted by another and a cross-reference will match a sheet signed by the individuals paying the fees.
Daily pay-ins are deposited to the Treasurer's office and then matched with the monthly statement.

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)

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

FINDING NUMBER 2007-003

Significant Deficiency/Material Weakness

Financial Statement Presentation – Airport (Discretely Presented Component Unit)

A monitoring system should be in place to prevent or detect material misstatements for the accurate presentation of the Airport's financial statements.

The Airport financial statements are compiled independently of the County financial statements. After the Airport financial statements are compiled, they are reported in the County financial statements as a discretely presented component unit. 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. The following errors were noted:

- Reversing entries were inaccurate or incomplete requiring the following:
 - Expense reversing entries were increased (\$5,828).
 - Revenue reversing entries were reduced (\$422,117).
- GAAP entries relating to sales tax were made in error (\$8,303).
- Intergovernmental receivables were not posted to the financial statements (\$342,763).
- Capital asset additions were overstated (\$33,671).
- Contracts payable and related capital assets were understated (\$153,245).
- Depreciation was not posted (\$124,551).

We recommend the Airport's Board 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.

OFFICIALS' RESPONSE:

Airport Manager - We will work more closely with our GAAP consultant to assure accuracy of the financial statements.

KNOX COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)**

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

FINDING NUMBER 2007-004

Significant Deficiency/Material Weakness

Financial Statement Presentation – County

A monitoring system by the County Auditor should be in place to prevent or detect material misstatements for the accurate presentation of the County's financial statements.

The following errors were noted involving the County's financial statement presentation. The County's financial statements have been adjusted to accurately reflect the adjustments and reclassifications.

- Grant fund reimbursements were recorded in the incorrect fund. (\$240,468)
- Proceeds from an Ohio Public Works Loan were not recorded properly. (\$356,658)
- Receipts and expenditures for a highway striping grant were not recorded on the books of the County. (\$147,805)
- Reclassification of Other Revenue to Intergovernmental Revenue. (\$456,620)
- An error in recording assets resulted in a restatement of prior year balance in the Internal Service Fund and Governmental Activities. (\$670,260)
- Capital asset additions in the Sewer District Fund were not recorded. (\$257,918)

Not presenting financial information accurately resulted in the financial statements requiring the above audit adjustments and reclassification entries, including additional time and effort to identify variances and discrepancies. In addition to the items above, there were eleven errors noted that did not require adjustments or reclassifications to the County's financial statements due to they were in immaterial in nature.

We recommend the County Auditor take steps to ensure the accurate presentation of the financial statements. Financial transactions should be posted in accordance with procedures established by generally accepted accounting principles (GAAP). By exercising accuracy in recording financial activity, the County can reduce posting errors and increase the reliability of the financial data throughout the year and at year end.

OFFICIALS' RESPONSE:

Margaret Ann Ruhl, County Auditor – I will work more closely with the County Engineer and other departments to be more accurate in our posting.

KNOX COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2007-005
CFDA Title and Number	Airport Improvement Program, #20.106
Federal Award Number / Year	3-39-0058-0705 3-39-0058-0805 3-39-0058-0906 3-39-0058-1007 3-39-0058-1107
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	None – Direct Program

Cash Management – Significant Deficiency

Grant Monitoring

The Knox County Airport is participating in the Airport Improvement Program Grant which is to assist public-use airports in various areas of development and expansion. The Knox County Airport is extending, widening, and improving the runway. The Grant is awarded to the Airport in various phases of grant award numbers and will cover several years.

The Airport has hired an engineering firm to help manage the program, including the contractors. The firm is responsible for submitting outlay reports, requests for reimbursement from the federal government, and prepares planning and post construction documentation for submission to the federal government.

With every phase of the Airport's construction a new sub-grant amount and grant number is awarded. If a particular grant is not completely drawn down during the award period it is permitted to rollover to the next grant period with the approval of the federal government. The Airport has been awarded the following grants in previous years that were a part of draw downs during 2007:

Year	Grant Number	Amount
2005	3-39-0058-0705	\$2,955,705
2005	3-39-0058-0805	500,000
2006	3-39-0058-0906	943,096
2007	3-39-0058-1007	585,050
2007	3-39-0058-1107	93,806
Total		\$5,077,657

The Airport expects to receive another \$1.4 million in grant funds through 2009. The engineering firm monitors the project in total. However, upon request for a breakdown of each sub-grant and amounts drawn down in 2007 from the Manager of the Knox County Airport and the engineering firm, neither was able to produce documentation of what grant funds had been drawn against individual sub-grant numbers.

Without proper monitoring of sub-grant draw downs against award amounts, it could result in excess draw downs of sub-grant awards or overpayment to contractors on contracts that correspond to a given phase of the airport's construction. If this were to happen, Airport funds may have to be used to make up a large unanticipated expenditure differences.

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007
(Continued)

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2007-005 (Continued)

Cash Management – Significant Deficiency (Continued)

We recommend the Manager of the Airport track all grant draw downs against each sub-grant number and award amount. All requests for reimbursement to the federal government should be clearly marked to report what sub-grant number the payment was made against. This will aid in ensuring there are no duplicate payments to vendors and that sub-grant awards are not exceeded, and if so, are identified in a timely manner. Balances of each sub-grant award carried over from year to year should be documented and tracked.

The Airport Board and engineering company should establish clear lines of communication to assure that grant information is maintained on a current basis and that all contractually assumed duties are clearly defined and monitored by the Airport Board and Manager.

OFFICIALS' RESPONSE / CORRECTIVE ACTION PLAN:

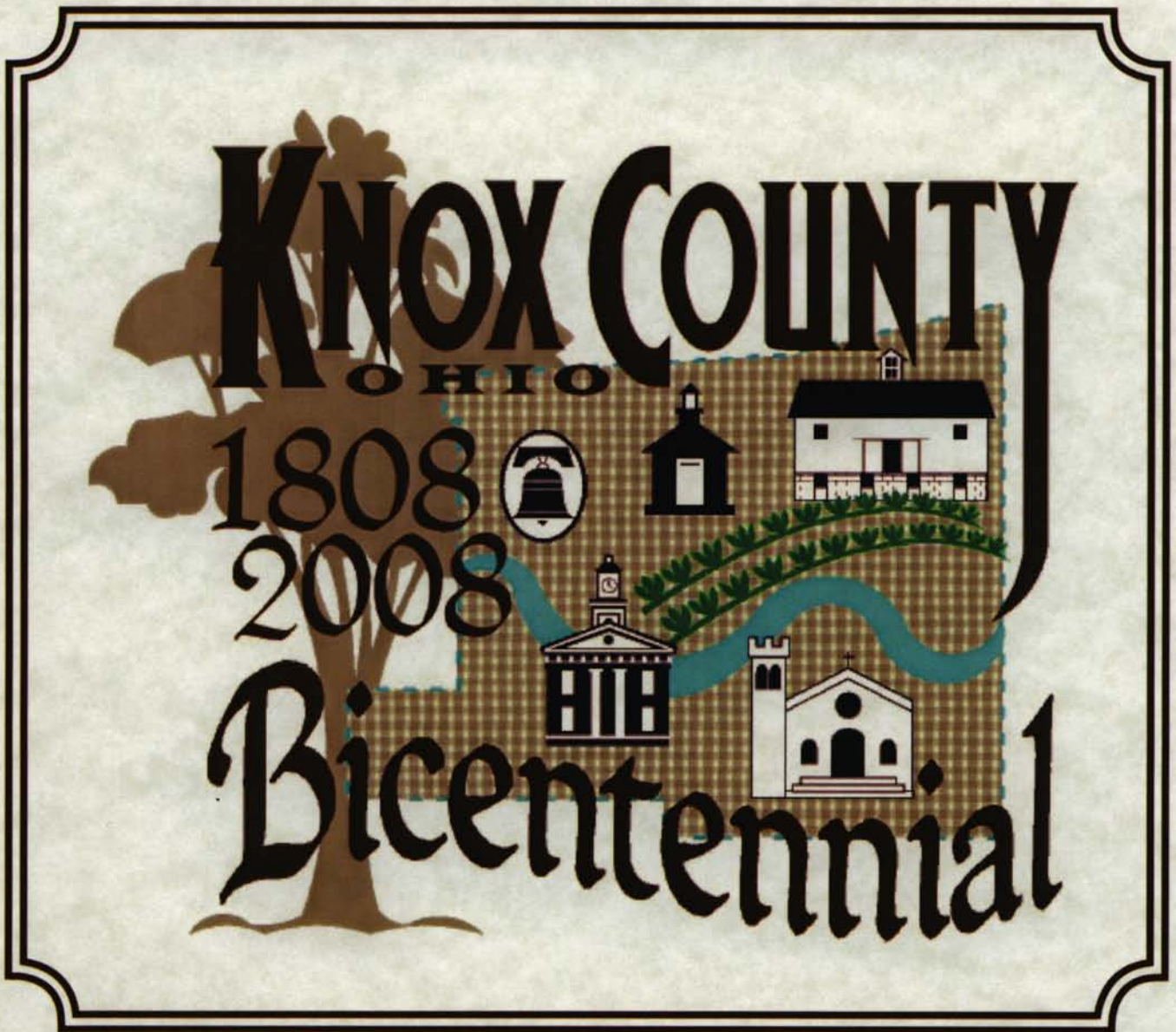
Airport Manager - Effectively immediately, the Airport Manager and engineering firm will track approved grant awards and schedule grant numbers that correspond with the related expenditures for each year of the grant. For information regarding this corrective action plan, please contact Marla Elliott, Airport Manager.

KNOX COUNTY

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	ORC Section 5705.41(D), Prior Certification of funds	No	Re-issued as finding 2007-001
2006-002	Recording Pass-thru Grants and On-behalf payments	Partially Corrected	Re-issued as a part of finding 2007-004
2006-003	ORC Section 311.11, Sheriff's cashbook not accurately maintained or reconciled, including monitoring accounting activity	No	Re-issued as finding 2007-002
2006-004	Airport – Inaccurate GAAP financial reporting	No	Re-issued as finding 2007-003
2006-005	Interfund activity did not balance	Yes	

KNOX COUNTY AUDITOR



KNOX COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

ADDITIONAL COPIES OF THIS
REPORT MAY BE OBTAINED
BY CONTACTING:

THE KNOX COUNTY AUDITOR'S OFFICE
117 EAST HIGH STREET, SUITE 120
MOUNT VERNON, OHIO 43050
(740) 393-6743

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2007

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 11, 2008

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, 2007. 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, 2007. 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.

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.

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.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 2007, the Auditor employed nine full-time employees 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 2007 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 2007, 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 2,444 documents from 2006 with a total of 12,375 documents recorded in 2007.

The County Engineer is elected to a four year term and employs thirty-five 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.

***Letter of Transmittal
For the Year Ended December 31, 2007***

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 twenty-six 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-six 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 1,303 cases filed in 2007. 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 2007, 22,715 titles were issued, a 0.6% decrease from 2006.

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 Common Pleas Court had 11 full-time employees in 2007.

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 2007, the estate cases totaled 310, which was an increase of 33 cases from 2006. Overall cases filed in Probate Court totaled 852 in 2007, which was a decrease of 15 from 2006. In 2007, the Juvenile Court cases filed totaled 1,059, which was a decrease of 290 over 2006. 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.

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 2007 totaled 36,123, a six tenths (0.60) of one percent decrease from 2006.

Letter of Transmittal

For the Year Ended December 31, 2007

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. The County also reports one component unit, the Knox County Airport.

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 Community Mental Health and Recovery Board of Licking and Knox Counties, and the Eastern Ohio Housing Corporation are governmental joint ventures. The Joint Solid Waste District, the Mid Eastern Ohio Regional Council, the Licking-Muskingum Community Based Correctional Facility, the Knox County Family and Children First Council, the Heart of Ohio Resource Conservation and Development Council, and the Perry Multi-County Juvenile Facility 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, 10 and 11 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.

Economic Condition and Outlook

Knox County has always been a large agricultural area and this year has developed the Farmers Market. The Mount Vernon Farmers Market itself had a good season, with strong turnout from buyers eager to get fresh produce. New Farmers Markets in Fredericktown and Centerburg provided additional outlets for local vendors and consumers. The Owl Creek Produce Auction, located outside of Waterford, entered its second year serving as a produce auction house selling everything from truckload quantities to grocery store chains, all the way down to individuals buying single vegetables.

***Letter of Transmittal
For the Year Ended December 31, 2007***

The Knox County Agricultural Museum began construction of a new addition in the fall of 2007. Formed in 1989, it has had to expand numerous times to hold the collection of historic farming and community-related items it has amassed. The expansion will better equip the museum to service patrons who come from all over Ohio to see the collection. Fund raising continues to cover the costs of the current expansion, which is now under roof and is targeted for completion in time for a grand re-opening to be held during the Knox County Fair in July, 2008.

The City of Mount Vernon recently completed a six year project of renovating the Baltimore & Ohio Railroad depot on the Westside of the City. It is now a place to host gatherings of about 100 to 125 people, for reunions, wedding receptions, etc. with a small kitchen to accommodate a smaller gathering. The City also constructed a new water park on the eastside of the City. It was the City swimming pool, but after putting \$3.5 million into the area, it now has two water slides and a children's play area along with the new pool.

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. In 2007, significant improvements were completed including replacing about 6,000 railroad ties, resurfacing 44 grade crossings, and installing new warning lights and gates at two other grade crossings. The railroad currently has two customers being Weyerhaeuser and Central Ohio Farmers Co-op. With the improvements to the railroad, OCRS hopes are to get more companies interested in the new rail-based industry from our community.

Several new businesses opened in Knox County and construction or renovations of commercial buildings have been started. The Mount Vernon Nazarene University has plans to convert an old retail building in the City of Mount Vernon's downtown area into an arts and graduate studies center. The hope is to have the building occupied by the spring of 2009. The Newark-based Central Ohio Technical College purchased another business building in downtown City of Mount Vernon (which was a theater), for the college's central campus in Knox County. They expected to open in the fall of 2009, with limited classes started in 2007.

Two buildings were demolished on the eastside of Mount Vernon to make room for a new Family Video store. The Family Video store opened their doors in early 2008. A new retail store renovated parts of the vacated Big Bear Store, which had been empty since 2004. Peebles, a department store chain in 15 states in the eastern United States, opened their doors in early 2008. Also built in the eastside of Mount Vernon was a new Tim Horton's restaurant and drive-through. Tim Horton's a Canadian-based coffee and doughnut restaurant chain, opened in December of 2007.

A new medical building began construction in late 2007. Mohican Sports Medicine & Rehabilitation began construction on a 15,500 square foot building on a 2.5 acre site. When completed, it will be the home of Dr. James Sturmi's sports and family medicine practice, as well as the Columbus based Signature Home Care, a company specializing in home health nursing and physical and occupation speech therapy.

***Letter of Transmittal
For the Year Ended December 31, 2007***

The Village of Gambier experienced the reopening of a village gas station and auto store. It had been closed since late 2006. The Village also had the reopening of the Village Inn restaurant, which had been closed for a couple of years.

Employee Relations

Knox County has four separate unions, whose labor contracts commence at various times. The County Engineer has twenty-four 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 fifty 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 seventy-one 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-four 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

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. When completed, it will be a total of sixteen miles long known as the Heart of Ohio Trail. The trail is complete in the Village of Centerburg, which is about three miles connecting the High School, which sets on the western side of the Village, to the eastern side, and is named after the school logo of the Trojan Trail.

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. This project was completed in the spring of 2007. An additional project is being looked at for the cupola on the Memorial Building, which will repair the siding of this structure.

Progress was made on the Knox County Juvenile Probation Department building with the replacement of the roof. Since the purchase of this building, we have renovated the windows, repaired the bricks and replaced cement walls, walkways and steps. The court uses this building for classes for troubled youth and various juvenile detentions.

***Letter of Transmittal
For the Year Ended December 31, 2007***

The Auditor and Treasurer Offices have implemented a new Real Estate, Manufactured Home and Computer Assisted Mass Appraisal (CAMA) systems in 2007. This was a \$500,000 investment which includes new computer system and a new process on calculating real estate. It provides more detailed information than the old system, which was over twenty-three years old.

Knox County Wastewater Department has started planning to add wastewater facilities to several of the outlying communities that are not villages. This will be a project that will take several years of planning and implementation with work on financially supporting this project. It includes the communities of Jelloway, Millwood, Amity, Rich Hill, Mount Liberty, Brandon and Bladensburg. The goal is to get wastewater facilities in each community to handle the wastewater in an environmentally friendly manor.

The Knox County Airport has been upgraded many times in the past years and last year was no exception. The taxiway to the hangers was moved and paved to improve traffic flow. Next year, the plans are to extend the taxiway by 2,000 feet.

Cash Management

During the year ended December 31, 2007, 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. Interest is allocated to the General Fund and to other qualifying funds. Interest for all funds of the primary government during 2007 was \$1,592,759.

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.

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.

***Letter of Transmittal
For the Year Ended December 31, 2007***

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of and for the year ended December 31, 2007, by 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, 2006. 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 seventeen 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.

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.

***Letter of Transmittal
For the Year Ended December 31, 2007***

A final note of appreciation is extended to the auditing staff of the State Auditor's office for their cooperation and guidance for our eighteenth 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,

A handwritten signature in cursive script that reads "Margaret Ann Ruhl".

Margaret Ann Ruhl,
Knox County Auditor

KNOX COUNTY, OHIO

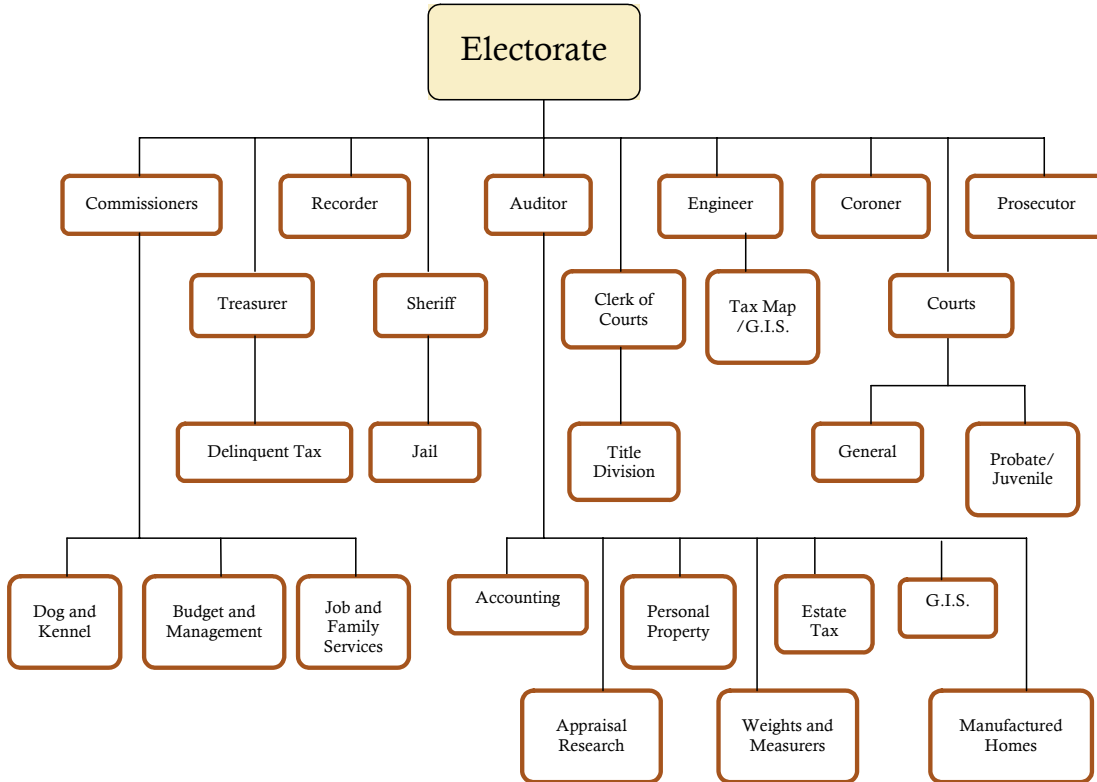
***List of Elected Officials
For the Year Ended December 31, 2007***

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, 2007**



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, 2006

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



Clive S. Cox

President

Jeffrey R. Emery

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Knox County, Ohio (the County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Knox County, Ohio, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, 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 11, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We 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 11, 2008

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, 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2007 are as follows:

- ❑ In total, net assets increased \$1,184,553. Net assets of governmental activities increased \$757,525, which represents a 1.0% increase from 2006. Net assets of business-type activities increased \$427,028 or 12.3% from 2006.
- ❑ General revenues accounted for \$19,151,517 in revenue or 46.5% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$21,998,753 or 53.5% of total revenues of \$41,150,270.
- ❑ The County had \$38,951,328 in expenses related to governmental activities; only \$20,643,954 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 \$13,488,488 in revenues and \$12,041,020 in expenditures. The general fund's fund balance increased \$265,728 to a balance of \$2,751,813.

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 district 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, 2007**

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 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Current and other assets	\$36,025,879	\$34,946,895	\$2,501,456	\$2,422,163	\$38,527,335	\$37,369,058
Capital assets, Net	56,774,373	57,319,499	3,092,589	2,868,394	59,866,962	60,187,893
Total assets	92,800,252	92,266,394	5,594,045	5,290,557	98,394,297	97,556,951
Long-term liabilities outstanding	11,317,349	11,437,619	1,647,903	1,765,256	12,965,252	13,202,875
Other liabilities	9,665,436	9,768,833	43,511	49,698	9,708,947	9,818,531
Total liabilities	20,982,785	21,206,452	1,691,414	1,814,954	22,674,199	23,021,406
Net assets						
Invested in capital assets, net of related debt	46,412,153	46,821,271	3,028,127	2,801,699	49,440,280	49,622,970
Restricted	19,198,230	19,237,519	0	0	19,198,230	19,237,519
Unrestricted	6,207,084	5,001,152	874,504	673,904	7,081,588	5,675,056
Total net assets	\$71,817,467	\$71,059,942	\$3,902,631	\$3,475,603	\$75,720,098	\$74,535,545

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KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,157,499	\$3,337,354	\$1,319,448	\$1,236,912	\$4,476,947	\$4,574,266
Operating Grants and Contributions	16,638,278	15,852,404	0	0	16,638,278	15,852,404
Capital Grants and Contributions	848,177	2,514,692	56,368	74,693	904,545	2,589,385
Total Program Revenues	20,643,954	21,704,450	1,375,816	1,311,605	22,019,770	23,016,055
General Revenues:						
Property Taxes	8,012,051	7,924,905	0	0	8,012,051	7,924,905
Sales Taxes	5,404,743	5,359,260	0	0	5,404,743	5,359,260
Intergovernmental Revenues, Unrestricted	2,357,839	2,027,126	0	0	2,357,839	2,027,126
Investment Earnings	1,499,020	1,241,601	93,739	93,805	1,592,759	1,335,406
Miscellaneous	1,784,125	1,561,855	0	0	1,784,125	1,561,855
Total General Revenues	19,057,778	18,114,747	93,739	93,805	19,151,517	18,208,552
Total Revenues	39,701,732	39,819,197	1,469,555	1,405,410	41,171,287	41,224,607
Program Expenses						
General Government						
Legislative and Executive	6,596,815	6,400,430	0	0	6,596,815	6,400,430
Judicial	2,178,492	2,229,258	0	0	2,178,492	2,229,258
Public Safety	6,023,816	6,107,506	0	0	6,023,816	6,107,506
Public Works	6,966,197	5,621,382	0	0	6,966,197	5,621,382
Health	551,510	454,620	0	0	551,510	454,620
Human Services	14,053,643	12,300,815	0	0	14,053,643	12,300,815
Intergovernmental	2,081,824	1,651,020	0	0	2,081,824	1,651,020
Interest and Fiscal Charges	499,031	520,280	0	0	499,031	520,280
Sewer	0	0	1,035,406	1,187,566	1,035,406	1,187,566
Landfill	0	0	0	34,461	0	34,461
Total Expenses	38,951,328	35,285,311	1,035,406	1,222,027	39,986,734	36,507,338
Change in Net Assets Before Transfers	750,404	4,533,886	434,149	183,383	1,184,553	4,717,269
Transfers	7,121	(14,451)	(7,121)	14,451	0	0
Total Change in Net Assets	757,525	4,519,435	427,028	197,834	1,184,553	4,717,269
Beginning Net Assets, Restated	71,059,942	66,540,507	3,475,603	3,277,769	74,535,545	69,818,276
Ending Net Assets	\$71,817,467	\$71,059,942	\$3,902,631	\$3,475,603	\$75,720,098	\$74,535,545

Governmental Activities

Net assets of the County's governmental activities increased by \$757,525. This was due mainly to increases in interest earnings on investments. Operating grants and contributions, which represent the largest program revenue totaled \$16,638,278. 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 decrease in capital grants was the result of a project in 2006 that did not occur in 2007.

KNOX COUNTY, OHIO

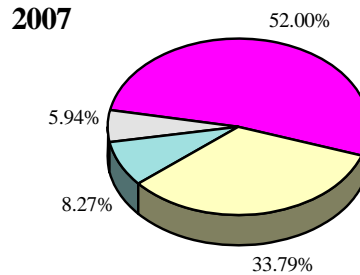
**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Tax revenue accounts for \$13,416,794 of the \$39,701,732 in total revenues for governmental activities. Sales tax accounted for \$5,404,743, or approximately 40.3% of total tax revenue.

The County's direct charges to users of governmental services totaled \$3,157,499. This amount represents 8.0% of total revenues for governmental activities and 15.3% of program specific revenues.

Revenue Sources	2007	Percent of Total
Intergovernmental Revenues	\$2,357,839	5.94%
Program Revenues	20,643,954	52.00%
General Tax Revenues	13,416,794	33.79%
General Other	3,283,145	8.27%
Total Revenue	\$39,701,732	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$427,028. This is attributable to decreases in landfill expenses and capitalizing contractual services for water and wastewater projects, while keeping revenues steady. These programs had revenues of \$1,469,555 and expenses of \$1,035,406 for fiscal year 2007. 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 \$18,679,534, which is higher than last year's total of \$18,023,091. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2007 and 2006.

	Fund Balance December 31, 2007	Fund Balance December 31, 2006	Increase (Decrease)
General	\$2,751,813	\$2,486,085	\$265,728
Public Assistance	3,291,710	2,085,414	1,206,296
Motor Vehicle and Gasoline Tax	591,937	956,242	(364,305)
Children Services Board	3,243,426	3,297,136	(53,710)
Mental Retardation	3,672,313	3,865,601	(193,288)
Other Governmental	5,128,335	5,332,613	(204,278)
Total	\$18,679,534	\$18,023,091	\$656,443

KNOX COUNTY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2007****Unaudited**

General Fund – The County's General Fund balance increased from 2006 to 2007. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2007	2006	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$7,858,436	\$8,007,183	(\$148,747)
Intergovernmental Revenues	1,926,952	1,634,239	292,713
Charges for Services	1,700,644	1,808,078	(107,434)
Licenses and Permits	4,423	4,759	(336)
Investment Earnings	1,345,955	1,124,981	220,974
Fines and Forfeitures	67,660	67,344	316
All Other Revenue	584,418	582,734	1,684
Total	\$13,488,488	\$13,229,318	\$259,170

General Fund revenues in 2007 increased approximately 2.0% compared to revenues in fiscal year 2006. This increase is primarily the result of increases in investment earnings. Investment earnings increased because the interest rates increased in 2007 compared to 2006. The decrease in taxes and increase in intergovernmental revenue is the result of the phasing out of personal property taxes, which are being reimbursed by the State to the County.

	2007	2006	Increase
	Expenditures	Expenditures	(Decrease)
General Government:			
Legislative and Executive	\$5,176,308	\$5,313,686	(\$137,378)
Judicial	1,945,819	1,991,183	(45,364)
Public Safety	3,625,131	3,542,284	82,847
Public Works	201,715	269,344	(67,629)
Health	161,580	159,877	1,703
Human Services	512,754	528,801	(16,047)
Capital Outlay	417,713	310,854	106,859
Debt Service:			
Principal Retirement	0	444	(444)
Interest and Fiscal Charges	0	5	(5)
Total	\$12,041,020	\$12,116,478	(\$75,458)

Expenditures decreased by \$75,458 or 0.6% from the prior year. Expenditures have been stable over the past two years.

Public Assistance Fund – The County's Public Assistance Fund balance increased by 57.8%. This increase in fund balance was the result of additional monies received during the period of availability.

Motor Vehicle and Gasoline Tax Fund – The County's Motor Vehicle and Gasoline Tax Fund balance decreased by 38.1%. This decrease in fund balance was the result of an increase in expenditures.

**Management's Discussion and Analysis
For the Year Ended December 31, 2007**

Unaudited

Children Services Board Fund – The fund balance reported in the Children Services Board Fund decreased by 1.6%. Revenues and expenditures have stayed consistent in this fund.

Mental Retardation Fund – The fund balance reported in the Mental Retardation Fund decreased by 5.0%. This decrease in fund balance was the result of an initial grant for the Day Habilitation program, a new program in 2006.

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 2007 the County amended its General Fund budget several times, none significant. The \$1.1 million positive variance with the final budget was the result of budgeting for contingencies that did not occur such as increased health insurance expenses and emergency repairs.

For the General Fund, budget basis revenue of \$14.49 million did not change significantly over the original budget estimates of \$14.49 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2007 the County had \$59,866,962 net of accumulated depreciation invested in land, buildings, equipment, vehicles and infrastructure. Of this total, \$56,774,373 was related to governmental activities and \$3,092,589 to the business-type activities. The following table shows fiscal 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	2006	
Land	\$3,511,122	\$3,511,122	\$0
Capital Assets not Being Depreciated	3,511,122	3,511,122	0
Buildings and Improvements	26,924,065	26,924,065	0
Vehicles	2,674,226	2,631,480	42,746
Machinery and Equipment	4,605,761	4,455,294	150,467
Computer Equipment	1,050,151	1,027,637	22,514
Infrastructure	44,762,699	44,087,800	674,899
Capital Assets Being Depreciated	80,016,902	79,126,276	890,626
Less: Accumulated Depreciation	(26,753,651)	(25,317,899)	(1,435,752)
Totals	\$56,774,373	\$57,319,499	(\$545,126)

KNOX COUNTY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2007****Unaudited**

The primary increases occurred in infrastructure, which consists of the street and bridge projects the County is involved in.

	Business-Type Activities		Increase (Decrease)
	2007	2006	
Land	\$236,839	\$236,839	\$0
Capital Assets Not Being Depreciated	236,839	236,839	0
Buildings and Improvements	834,571	834,571	0
Vehicles	172,265	172,265	0
Machinery and Equipment	1,358,558	1,070,738	287,820
Computer Equipment	65,057	80,086	(15,029)
Sewer and Water Lines	2,062,904	2,009,927	52,977
Capital Assets Being Depreciated	4,493,355	4,167,587	325,768
Less: Accumulated Depreciation	(1,637,605)	(1,536,032)	(101,573)
Totals	\$3,092,589	\$2,868,394	\$224,195

Business-type activities did not significantly change from 2006. Additional information on the County's capital assets can be found in Note 9.

Debt

At December 31, 2007, the County had \$9.8 million in general obligation bonds outstanding, \$570,000 due within one year. The following table summarizes the County's debt outstanding as of December 31, 2007 and 2006:

	2007	2006
Governmental Activities:		
General Obligation Bonds	\$9,830,000	\$10,380,000
OPWC Loan Payable	343,883	26,163
Capital Leases Payable	188,337	92,065
Compensated Absences	955,129	939,391
Total Governmental Activities	11,317,349	11,437,619
Business-Type Activities:		
OWDA Loan Payable	64,462	66,695
Landfill Postclosure Care Liability	1,560,287	1,667,922
Compensated Absences	23,154	30,639
Total Business-Type Activities	1,647,903	1,765,256
Totals	\$12,965,252	\$13,202,875

Additional information on the County's long-term debt can be found in Note 17.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2008 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 remained stable in 2007. The key factor is the County retail market maintaining its stability and maintaining a diversified commercial and industrial economic base. During 2008, there will be a reevaluation of all properties within the County.

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, 2007**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Knox County Airport
Assets:				
Cash and Cash Equivalents	\$ 18,086,776	\$ 1,945,300	\$ 20,032,076	\$ 0
Cash and Cash Equivalents in Segregated Accounts	92,230	0	92,230	435,056
Cash and Cash Equivalents with Fiscal Agent	2,428,886	0	2,428,886	0
Receivables:				
Taxes	8,306,944	0	8,306,944	0
Accounts	235,348	353,275	588,623	10,349
Intergovernmental	5,850,879	0	5,850,879	342,763
Interest	279,835	0	279,835	0
Special Assessments	11,606	82,709	94,315	0
Loans	76,193	0	76,193	0
Due from Component Unit	54,531	0	54,531	0
Loans Receivable from Component Unit	190,000	0	190,000	0
Inventory of Supplies	325,692	115,310	441,002	13,173
Prepaid Items	86,959	4,862	91,821	0
Capital Assets not Being Depreciated	3,511,122	236,839	3,747,961	1,446,594
Capital Assets Being Depreciated, net	53,263,251	2,855,750	56,119,001	6,041,518
Total Assets	92,800,252	5,594,045	98,394,297	8,289,453
Liabilities:				
Accounts Payable	711,105	13,289	724,394	1,976
Accrued Wages and Benefits	636,170	18,534	654,704	0
Intergovernmental Payable	373,997	10,969	384,966	0
Contracts Payable	398,916	719	399,635	153,245
Claims Payable	303,788	0	303,788	0
Matured Bonds and Interest Payable	48,379	0	48,379	0
Due to Primary Government	0	0	0	54,531
Unearned Revenue	7,151,838	0	7,151,838	0
Accrued Interest Payable	41,243	0	41,243	0
Long Term Liabilities:				
Due Within One Year	1,387,899	93,455	1,481,354	32,200
Due in More Than One Year	9,929,450	1,554,448	11,483,898	1,009,700
Total Liabilities	20,982,785	1,691,414	22,674,199	1,251,652

KNOX COUNTY, OHIO

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Knox County Airport
Net Assets:				
Invested in Capital Assets, Net of Related Debt	46,412,153	3,028,127	49,440,280	6,292,967
Restricted For:				
Public Safety	2,458,920	0	2,458,920	0
Public Works	2,586,723	0	2,586,723	0
Human Services	10,507,743	0	10,507,743	0
Capital Projects	1,158,946	0	1,158,946	0
Debt Service	618,368	0	618,368	58,768
Other Purposes	1,867,530	0	1,867,530	0
Unrestricted	6,207,084	874,504	7,081,588	686,066
Total Net Assets	<u>\$ 71,817,467</u>	<u>\$ 3,902,631</u>	<u>\$ 75,720,098</u>	<u>\$ 7,037,801</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Activities
For the Year Ended December 31, 2007**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 6,596,815	\$ 1,333,018	\$ 155,267	\$ 252,598
Judicial	2,178,492	625,573	0	0
Public Safety	6,023,816	736,359	786,577	0
Public Works	6,966,197	61,676	4,902,040	595,579
Health	551,510	170,066	34,803	0
Human Services	14,053,643	230,807	10,759,591	0
Intergovernmental	2,081,824	0	0	0
Interest and Fiscal Charges	499,031	0	0	0
Total Governmental Activities	38,951,328	3,157,499	16,638,278	848,177
Business-Type Activities:				
Sewer District Fund	1,035,406	1,298,431	0	56,368
Landfill Fund	0	21,017	0	0
Total Business-Type Activities	1,035,406	1,319,448	0	56,368
Total Primary Government	\$ 39,986,734	\$ 4,476,947	\$ 16,638,278	\$ 904,545
Component Units:				
Knox County Airport	\$ 518,626	\$ 419,639	\$ 46,000	\$ 658,397
Total Component Units	\$ 518,626	\$ 419,639	\$ 46,000	\$ 658,397

General Revenues

Property Taxes Levied for:
 General Purposes
 Special Purposes
 Sales Tax
 Intergovernmental Revenues, Unrestricted
 Investment Earnings
 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			Component Unit
Primary Government			
Governmental Activities	Business-Type Activities	Total	Knox County Airport
\$ (4,855,932)	\$ 0	\$ (4,855,932)	
(1,552,919)	0	(1,552,919)	
(4,500,880)	0	(4,500,880)	
(1,406,902)	0	(1,406,902)	
(346,641)	0	(346,641)	
(3,063,245)	0	(3,063,245)	
(2,081,824)	0	(2,081,824)	
(499,031)	0	(499,031)	
<u>(18,307,374)</u>	<u>0</u>	<u>(18,307,374)</u>	
0	319,393	319,393	
0	21,017	21,017	
0	340,410	340,410	
<u>(18,307,374)</u>	<u>340,410</u>	<u>(17,966,964)</u>	
			\$ 605,410
			<u>605,410</u>
3,823,813	0	3,823,813	0
4,188,238	0	4,188,238	0
5,404,743	0	5,404,743	0
2,357,839	0	2,357,839	0
1,499,020	93,739	1,592,759	20,316
1,784,125	0	1,784,125	5,092
7,121	(7,121)	0	0
<u>19,064,899</u>	<u>86,618</u>	<u>19,151,517</u>	<u>25,408</u>
757,525	427,028	1,184,553	630,818
<u>71,059,942</u>	<u>3,475,603</u>	<u>74,535,545</u>	<u>6,406,983</u>
<u>\$ 71,817,467</u>	<u>\$ 3,902,631</u>	<u>\$ 75,720,098</u>	<u>\$ 7,037,801</u>

KNOX COUNTY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2007**

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Children Services Board
Assets:				
Cash and Cash Equivalents	\$ 2,387,785	\$ 3,111,512	\$ 96,230	\$ 3,341,476
Cash and Cash Equivalents in Segregated Accounts	19,893	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Receivables:				
Taxes	4,016,663	0	0	953,302
Accounts	50,257	6,385	646	981
Intergovernmental	771,468	1,010,093	2,478,769	46,744
Interest	267,971	0	1,478	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	22,898	0	0	0
Interfund Receivable	0	0	0	0
Due from Component Unit	54,531	0	0	0
Loan Receivable from Component Unit	190,000	0	0	0
Inventory of Supplies	2,840	0	322,852	0
Prepaid Items	51,192	12,034	9,895	0
Total Assets	\$ 7,835,498	\$ 4,140,024	\$ 2,909,870	\$ 4,342,503
Liabilities:				
Accounts Payable	\$ 138,171	\$ 288,001	\$ 89,232	\$ 48,855
Accrued Wages and Benefits Payable	243,970	104,190	70,005	29,128
Intergovernmental Payable	138,945	60,636	40,038	17,398
Contracts Payable	134,003	123,110	0	5,789
Matured Bonds and Interest Payable	0	0	0	0
Due to Other Funds	127,476	8,227	9,895	0
Interfund Payable	0	0	0	0
Deferred Revenue	4,301,120	264,150	2,108,763	997,907
Total Liabilities	5,083,685	848,314	2,317,933	1,099,077
Fund Balances:				
Reserved for Encumbrances	415,291	613,158	374,055	113,461
Reserved for Supplies Inventory	2,840	0	322,852	0
Reserved for Debt Service	0	0	0	0
Reserved for Loans Receivable	0	0	0	0
Reserved for Due From Component Unit	54,531	0	0	0
Reserved for Loan Receivable from Component Unit	190,000	0	0	0
Undesignated, Unreserved in:				
General Fund	2,089,151	0	0	0
Special Revenue Funds	0	2,678,552	(104,970)	3,129,965
Capital Projects Funds	0	0	0	0
Total Fund Balances	2,751,813	3,291,710	591,937	3,243,426
Total Liabilities and Fund Balances	\$ 7,835,498	\$ 4,140,024	\$ 2,909,870	\$ 4,342,503

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

<u>Mental Retardation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,581,710	\$ 5,021,071	\$ 15,539,784
0	72,337	92,230
2,283,018	7,324	2,290,342
1,347,602	1,989,377	8,306,944
16,809	68,599	143,677
357,229	1,186,576	5,850,879
0	327	269,776
0	11,606	11,606
0	76,193	76,193
0	127,476	150,374
0	23,400	23,400
0	0	54,531
0	0	190,000
0	0	325,692
11,335	2,503	86,959
<u>\$ 5,597,703</u>	<u>\$ 8,586,789</u>	<u>\$ 33,412,387</u>
\$ 3,241	\$ 143,605	\$ 711,105
94,015	94,862	636,170
59,411	57,569	373,997
66,743	69,271	398,916
0	48,379	48,379
0	4,776	150,374
0	23,400	23,400
1,701,980	3,016,592	12,390,512
<u>1,925,390</u>	<u>3,458,454</u>	<u>14,732,853</u>
95,735	297,900	1,909,600
0	0	325,692
0	659,611	659,611
0	76,193	76,193
0	0	54,531
0	0	190,000
0	0	2,089,151
3,576,578	3,483,218	12,763,343
0	611,413	611,413
<u>3,672,313</u>	<u>5,128,335</u>	<u>18,679,534</u>
<u>\$ 5,597,703</u>	<u>\$ 8,586,789</u>	<u>\$ 33,412,387</u>

KNOX COUNTY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2007***

Total Governmental Fund Balances		\$ 18,679,534
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		56,774,373
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		5,238,674
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.		2,483,478
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	(9,830,000)	
Ohio Public Works Commission Loan Payable	(343,883)	
Compensated Absences Payable	(955,129)	
Capital Lease Payable	(188,337)	
Accrued Interest Payable	(41,243)	
		<u>(11,358,592)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 71,817,467</u></u>

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, 2007**

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Children Services Board
Revenues:				
Taxes	\$ 7,858,436	\$ 0	\$ 0	\$ 943,623
Intergovernmental Revenues	1,926,952	6,894,394	4,726,048	1,026,528
Charges for Services	1,700,644	0	6,060	108,036
Licenses and Permits	4,423	0	0	0
Investment Earnings	1,345,955	0	26,151	0
Special Assessments	0	0	0	0
Fines and Forfeitures	67,660	0	11,906	0
All Other Revenue	584,418	691,871	69,733	5,531
Total Revenue	13,488,488	7,586,265	4,839,898	2,083,718
Expenditures:				
Current:				
General Government:				
Legislative and Executive	5,176,308	0	0	0
Judicial	1,945,819	0	0	0
Public Safety	3,625,131	0	0	0
Public Works	201,715	0	5,536,252	0
Health	161,580	0	0	0
Human Services	512,754	6,274,607	0	2,137,428
Intergovernmental	0	0	0	0
Capital Outlay	417,713	0	0	0
Debt Service:				
Principal Retirement	0	0	108,364	0
Interest and Fiscal Charges	0	0	8,154	0
Total Expenditures	12,041,020	6,274,607	5,652,770	2,137,428
Excess (Deficiency) of Revenues Over Expenditures	1,447,468	1,311,658	(812,872)	(53,710)
Other Financing Sources (Uses):				
Inception of Capital Lease	0	0	165,700	0
Ohio Public Works Commission Loan	0	0	356,656	0
Transfers In	157,176	200,000	0	0
Transfers Out	(1,338,628)	(305,362)	0	0
Total Other Financing Sources (Uses)	(1,181,452)	(105,362)	522,356	0
Net Change in Fund Balances	266,016	1,206,296	(290,516)	(53,710)
Fund Balances at Beginning of Year	2,486,085	2,085,414	956,242	3,297,136
Decrease in Inventory Reserve	(288)	0	(73,789)	0
Fund Balances End of Year	\$ 2,751,813	\$ 3,291,710	\$ 591,937	\$ 3,243,426

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

<u>Mental Retardation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,349,808	\$ 3,232,013	\$ 13,383,880
2,130,874	3,137,639	19,842,435
0	1,094,578	2,909,318
0	134,329	138,752
0	8,112	1,380,218
0	25,227	25,227
0	15,948	95,514
197,272	446,617	1,995,442
<u>3,677,954</u>	<u>8,094,463</u>	<u>39,770,786</u>
0	1,260,871	6,437,179
0	222,623	2,168,442
0	2,070,999	5,696,130
0	13,463	5,751,430
0	317,007	478,587
3,871,242	1,302,731	14,098,762
0	2,081,824	2,081,824
0	1,278,568	1,696,281
0	550,000	658,364
0	494,590	502,744
<u>3,871,242</u>	<u>9,592,676</u>	<u>39,569,743</u>
(193,288)	(1,498,213)	201,043
0	0	165,700
0	0	356,656
0	1,358,591	1,715,767
0	(64,656)	(1,708,646)
<u>0</u>	<u>1,293,935</u>	<u>529,477</u>
(193,288)	(204,278)	730,520
3,865,601	5,332,613	18,023,091
0	0	(74,077)
<u>\$ 3,672,313</u>	<u>\$ 5,128,335</u>	<u>\$ 18,679,534</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, 2007***

Net Change in Fund Balances - Total Governmental Funds \$ 730,520

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 depreciation exceeded capital outlays in the current period.

Capital Outlay	2,599,213	
Depreciation Expense	<u>(3,103,873)</u>	(504,660)

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. (40,466)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (187,856)

The issuance of long-term debt provides current financial resources to governmental funds, but issuances increase long-term liabilities in the statement of net assets. The payment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net assets.

Inception of Capital Lease	(165,700)	
Ohio Public Works Commission Loan	(356,656)	
General Obligation Bond Principal Payment	550,000	
Ohio Public Works Commission Principal Payment	38,936	
Capital Lease Principal Payment	<u>69,428</u>	136,008

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,713

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	(15,738)	
Change in Inventory	<u>(74,077)</u>	(89,815)

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. 710,081

Change in Net Assets of Governmental Activities \$ 757,525

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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 8,186,000	\$ 8,186,000	\$ 7,861,021	\$ (324,979)
Intergovernmental Revenues	1,890,318	1,890,318	1,931,754	41,436
Charges for Services	2,130,200	2,130,200	1,738,013	(392,187)
Licenses and Permits	5,900	5,900	4,347	(1,553)
Investment Earnings	1,313,506	1,313,506	1,370,268	56,762
Fines and Forfeitures	78,000	78,000	69,863	(8,137)
All Other Revenues	779,500	780,200	609,322	(170,878)
Total Revenues	<u>14,383,424</u>	<u>14,384,124</u>	<u>13,584,588</u>	<u>(799,536)</u>
Expenditures:				
General Government - Legislative and Executive	6,326,361	6,360,820	5,758,436	602,384
General Government - Judicial	1,975,481	2,008,141	1,964,625	43,516
Public Safety	3,674,330	3,740,382	3,730,186	10,196
Public Works	443,850	345,225	210,833	134,392
Health	167,177	170,378	162,680	7,698
Human Services	641,395	622,395	518,147	104,248
Conservation and Recreation	7,536	7,536	0	7,536
Capital Outlay	577,207	664,511	438,055	226,456
Total Expenditures	<u>13,813,337</u>	<u>13,919,388</u>	<u>12,782,962</u>	<u>1,136,426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,087	464,736	801,626	336,890
Other Financing Sources (Uses):				
Other Financing Uses	(262,346)	(217,488)	(110,719)	106,769
Transfers In	110,000	110,000	63,437	(46,563)
Transfers Out	(1,327,000)	(1,252,319)	(1,252,010)	309
Advances Out	0	(14,191)	0	14,191
Total Other Financing Sources (Uses)	<u>(1,479,346)</u>	<u>(1,373,998)</u>	<u>(1,299,292)</u>	<u>74,706</u>
Net Change in Fund Balance	(909,259)	(909,262)	(497,666)	411,596
Fund Balance at Beginning of Year	2,025,080	2,025,080	2,025,080	0
Prior Year Encumbrances	362,197	362,197	362,197	0
Fund Balance at End of Year	<u>\$ 1,478,018</u>	<u>\$ 1,478,015</u>	<u>\$ 1,889,611</u>	<u>\$ 411,596</u>

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)
Special Revenue Fund – Public Assistance Fund
For the Year Ended December 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 4,800,000	\$ 5,264,400	\$ 6,148,451	\$ 884,051
All Other Revenues	220,000	220,000	692,156	472,156
Total Revenues	<u>5,020,000</u>	<u>5,484,400</u>	<u>6,840,607</u>	<u>1,356,207</u>
Expenditures:				
Human Services	<u>7,267,192</u>	<u>7,788,593</u>	<u>7,044,194</u>	<u>744,399</u>
Total Expenditures	<u>7,267,192</u>	<u>7,788,593</u>	<u>7,044,194</u>	<u>744,399</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,247,192)	(2,304,193)	(203,587)	2,100,606
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	<u>(400,000)</u>	<u>(343,000)</u>	<u>(305,362)</u>	<u>37,638</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(143,000)</u>	<u>(105,362)</u>	<u>37,638</u>
Net Change in Fund Balance	(2,447,192)	(2,447,193)	(308,949)	2,138,244
Fund Balance at Beginning of Year	1,593,983	1,593,983	1,593,983	0
Prior Year Encumbrances	<u>853,992</u>	<u>853,992</u>	<u>853,992</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 783</u>	<u>\$ 782</u>	<u>\$ 2,139,026</u>	<u>\$ 2,138,244</u>

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)
Special Revenue Fund – Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,270,000	\$ 5,270,000	\$ 4,730,449	\$ (539,551)
Charges for Services	10,000	10,000	6,045	(3,955)
Investment Earnings	20,000	20,000	26,347	6,347
Fines and Forfeitures	12,500	12,500	9,542	(2,958)
All Other Revenues	41,000	41,000	69,333	28,333
Total Revenues	<u>5,353,500</u>	<u>5,353,500</u>	<u>4,841,716</u>	<u>(511,784)</u>
Expenditures:				
Public Works	5,394,145	5,564,302	5,454,418	109,884
Debt Service:				
Principal Retirement	0	35,666	35,666	0
Total Expenditures	<u>5,394,145</u>	<u>5,599,968</u>	<u>5,490,084</u>	<u>109,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,645)	(246,468)	(648,368)	(401,900)
Other Financing Sources (Uses):				
Ohio Public Works Commission Loans	0	0	356,656	356,656
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>356,656</u>	<u>356,656</u>
Net Change in Fund Balance	(40,645)	(246,468)	(291,712)	(45,244)
Fund Balance at Beginning of Year	205,823	205,823	205,823	0
Prior Year Encumbrances	139,796	139,796	139,796	0
Fund Balance at End of Year	<u>\$ 304,974</u>	<u>\$ 99,151</u>	<u>\$ 53,907</u>	<u>\$ (45,244)</u>

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)
Special Revenue Fund – Children Services Board Fund
For the Year Ended December 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 950,700	\$ 950,700	\$ 943,623	\$ (7,077)
Intergovernmental Revenues	921,900	921,900	1,026,528	104,628
Charges for Services	130,000	130,000	108,731	(21,269)
All Other Revenues	8,000	8,000	5,544	(2,456)
Total Revenues	<u>2,010,600</u>	<u>2,010,600</u>	<u>2,084,426</u>	<u>73,826</u>
Expenditures:				
Human Services	<u>2,472,597</u>	<u>2,472,597</u>	<u>2,249,113</u>	<u>223,484</u>
Total Expenditures	<u>2,472,597</u>	<u>2,472,597</u>	<u>2,249,113</u>	<u>223,484</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(461,997)	(461,997)	(164,687)	297,310
Fund Balance at Beginning of Year	3,348,523	3,348,523	3,348,523	0
Prior Year Encumbrances	<u>34,097</u>	<u>34,097</u>	<u>34,097</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,920,623</u>	<u>\$ 2,920,623</u>	<u>\$ 3,217,933</u>	<u>\$ 297,310</u>

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)
Special Revenue Fund – Mental Retardation Fund
For the Year Ended December 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,422,160	\$ 1,422,160	\$ 1,349,808	\$ (72,352)
Intergovernmental Revenues	2,024,000	2,024,000	2,056,950	32,950
All Other Revenues	1,123,100	1,123,100	181,633	(941,467)
Total Revenues	<u>4,569,260</u>	<u>4,569,260</u>	<u>3,588,391</u>	<u>(980,869)</u>
Expenditures:				
Human Services	<u>5,608,124</u>	<u>5,930,380</u>	<u>4,031,462</u>	<u>1,898,918</u>
Total Expenditures	<u>5,608,124</u>	<u>5,930,380</u>	<u>4,031,462</u>	<u>1,898,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,038,864)	(1,361,120)	(443,071)	918,049
Fund Balance at Beginning of Year	1,848,656	1,848,656	1,848,656	0
Prior Year Encumbrances	45,468	45,468	45,468	0
Fund Balance at End of Year	<u>\$ 855,260</u>	<u>\$ 533,004</u>	<u>\$ 1,451,053</u>	<u>\$ 918,049</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2007**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer District	Landfill	Total	Activities- Internal Service Fund
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 1,869,360	\$ 75,940	\$ 1,945,300	\$ 2,546,992
Cash and Cash Equivalents with Fiscal Agent	0	0	0	138,544
Receivables:				
Accounts	353,275	0	353,275	91,671
Interest	0	0	0	10,059
Special Assessments	82,709	0	82,709	0
Inventory of Supplies	115,310	0	115,310	0
Prepaid Items	4,862	0	4,862	0
Total Current Assets	2,425,516	75,940	2,501,456	2,787,266
Noncurrent Assets:				
Capital Assets not Being Depreciated	93,675	143,164	236,839	0
Capital Assets being Depreciated, net	2,855,750	0	2,855,750	0
Total Noncurrent Assets	2,949,425	143,164	3,092,589	0
Total Assets	5,374,941	219,104	5,594,045	2,787,266
Liabilities:				
Current Liabilities:				
Accounts Payable	13,289	0	13,289	0
Accrued Wages and Benefits	18,534	0	18,534	0
Intergovernmental Payable	10,969	0	10,969	0
Contracts Payable	719	0	719	0
Claims Payable	0	0	0	303,788
Compensated Absences - Current	11,996	0	11,996	0
OWDA Loans Payable - Current	2,359	0	2,359	0
Landfill Postclosure Care Liability - Current	0	79,100	79,100	0
Total Current Liabilities	57,866	79,100	136,966	303,788
Noncurrent Liabilities				
Compensated Absences Payable	11,158	0	11,158	0
OWDA Loans Payable	62,103	0	62,103	0
Landfill Postclosure Care Liability	0	1,481,187	1,481,187	0
Total Noncurrent Liabilities	73,261	1,481,187	1,554,448	0
Total Liabilities	131,127	1,560,287	1,691,414	303,788
Net Assets:				
Invested in Capital Assets, net of related debt	2,884,963	143,164	3,028,127	0
Unrestricted	2,358,851	(1,484,347)	874,504	2,483,478
Total Net Assets	\$ 5,243,814	\$ (1,341,183)	\$ 3,902,631	\$ 2,483,478

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, 2007**

	Business-Type Activities - Enterprise Funds			Governmental Activities-
	Sewer District	Landfill	Total	Internal Service Funds
Operating Revenues:				
Charges for Services	\$ 1,228,593	\$ 0	\$ 1,228,593	\$ 3,805,359
Tap In Fees	52,393	0	52,393	0
Other Operating Revenue	17,445	0	17,445	0
Total Operating Revenues	1,298,431	0	1,298,431	3,805,359
Operating Expenses:				
Personal Services	586,811	0	586,811	0
Contractual Services	180,993	0	180,993	307,017
Materials and Supplies	111,749	0	111,749	0
Depreciation	119,982	0	119,982	0
Other Operating Expenses	32,193	0	32,193	0
Health Insurance Claims	0	0	0	3,066,545
Total Operating Expenses	1,031,728	0	1,031,728	3,373,562
Operating Income	266,703	0	266,703	431,797
Nonoperating Revenue (Expenses):				
Investment Earnings	93,739	0	93,739	118,802
Interest Expense	(3,678)	0	(3,678)	0
Other Nonoperating Revenue	0	21,017	21,017	159,854
Other Nonoperating Expense	0	0	0	(372)
Total Nonoperating Revenues (Expenses)	90,061	21,017	111,078	278,284
Income (Loss) Before Contributions and Transfers	356,764	21,017	377,781	710,081
Capital Contributions - Tap in Fees	56,368	0	56,368	0
Transfers In	0	86,618	86,618	0
Transfers Out	(93,739)	0	(93,739)	0
Change in Net Assets	319,393	107,635	427,028	710,081
Net Assets (Deficit) Beginning of Year, Restated	4,924,421	(1,448,818)	3,475,603	1,773,397
Net Assets (Deficit) End of Year	<u>\$ 5,243,814</u>	<u>\$ (1,341,183)</u>	<u>\$ 3,902,631</u>	<u>\$ 2,483,478</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007**

	<u>Business Type Activities - Enterprise Funds</u>			Governmental
	Sewer District	Landfill	Totals	Activities - Internal Service Fund
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,262,526	\$0	\$1,262,526	\$0
Cash Received from Interfund Services	0	0	0	3,804,401
Cash Payments to Suppliers for Goods and Services	(345,497)	(107,635)	(453,132)	(307,389)
Cash Payments to Employees for Service	(593,376)	0	(593,376)	0
Cash Payments for Claims	0	0	0	(3,195,652)
Cash From Other Sources	11,703	21,017	32,720	72,275
Net Cash Provided (Used) for Operating Activities	<u>335,356</u>	<u>(86,618)</u>	<u>248,738</u>	<u>373,635</u>
<u>Cash Flows from Noncapital and Related Financing Activities:</u>				
Transfers In	0	86,618	86,618	0
Transfers Out	(93,739)	0	(93,739)	0
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(93,739)</u>	<u>86,618</u>	<u>(7,121)</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	56,368	0	56,368	0
Acquisition of Capital Assets	(344,177)	0	(344,177)	0
Principal Paid on Ohio Water Development Loan Payable	(2,233)	0	(2,233)	0
Interest Paid on Debt	(3,678)	0	(3,678)	0
Net Cash Used for Capital and Related Financing Activities	<u>(284,419)</u>	<u>0</u>	<u>(284,419)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	93,739	0	93,739	117,773
Net Cash Provided by Investing Activities	<u>93,739</u>	<u>0</u>	<u>93,739</u>	<u>117,773</u>
Net Increase in Cash and Cash Equivalents	50,937	0	50,937	491,408
Cash and Cash Equivalents at Beginning of Year, Restated	1,818,423	75,940	1,894,363	2,194,128
Cash and Cash Equivalents at End of Year	<u>\$1,869,360</u>	<u>\$75,940</u>	<u>\$1,945,300</u>	<u>\$2,685,536</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per Statement of Net Assets:</u>				
Cash and Cash Equivalents	\$1,869,360	\$75,940	\$1,945,300	\$2,546,992
Cash and Cash Equivalents with Fiscal Agent	0	0	0	138,544
Cash and Cash Equivalents at End of Year	<u>\$1,869,360</u>	<u>\$75,940</u>	<u>\$1,945,300</u>	<u>\$2,685,536</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 to Net Cash</u>				
<u>Provided (Used) for Operating Activities:</u>				
Operating Income	\$266,703	\$0	\$266,703	\$431,797
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:				
Depreciation Expense	119,982	0	119,982	0
Miscellaneous Nonoperating Revenue	0	21,017	21,017	72,275
Miscellaneous Nonoperating Expense	0	0	0	(372)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(24,202)	0	(24,202)	(958)
Increase in Inventory	(14,686)	0	(14,686)	0
Decrease in Prepaid Items	1,231	0	1,231	0
Increase in Accounts Payable	5,522	0	5,522	0
Decrease in Contracts Payable	(12,629)	0	(12,629)	0
Increase in Accrued Wages and Benefits	2,098	0	2,098	0
Decrease in Closure and Postclosure Care Payable	0	(107,635)	(107,635)	0
Decrease in Intergovernmental Payable	(1,178)	0	(1,178)	0
Decrease in Compensated Absences	(7,485)	0	(7,485)	0
Decrease in Claims Payable	0	0	0	(129,107)
Total Adjustments	68,653	(86,618)	(17,965)	(58,162)
Net Cash Provided (Used) for Operating Activities	<u>\$335,356</u>	<u>(\$86,618)</u>	<u>\$248,738</u>	<u>\$373,635</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2007**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 4,367,855
Cash and Cash Equivalents in Segregated Accounts	368,520
Receivables:	
Taxes	51,024,356
Accounts	8,852
Special Assessments	20,734
Intergovernmental	3,352,129
Total Assets	<u><u>\$ 59,142,446</u></u>
Liabilities:	
Intergovernmental Payable	\$ 57,552,986
Undistributed Monies	366,940
Due to Others	1,222,520
Total Liabilities	<u><u>\$ 59,142,446</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - 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 Airport is specifically identified.

A. 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, a component unit 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. On March 2, 2007 New Hope Industries, Inc (the Workshop), a former discretely presented component unit of the County, 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 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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.

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 six 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 eighteen 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.

Knox County Family and Children First Council (KCFCFC)

The KCFCFC is a jointly governed organization. The purpose is to promote the well-being of children and their families.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Heart of Ohio Resource Conservation and Development Council (HOCDC)

The HOCDC is a jointly governed organization among nine counties. The purpose is to enhance the quality of life in central Ohio by facilitating the use of natural resources for a sustainable future.

Perry Multi-County Juvenile Facility (JF)

The JF is a jointly governed organization among eight counties. The purpose is to rehabilitate juvenile offenders in lieu of commitment to the Ohio Department of Youth Services.

Further information regarding these joint ventures and jointly governed organizations is presented in Note 10 and Note 11.

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 \$35,000 for 2007.

Public Library of Mount Vernon and Knox County

The Commissioners and Judge of Knox County Common Pleas appoint 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 2007.

Discretely Presented Component Unit:

The component unit column in the financial statements identifies the financial data of the County's component unit, Knox County Airport. It is reported separately to emphasize that it is legally separate from the County. Knox County Airport does not issue separate financial statements.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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.

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.

B. 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 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.

C. 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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.

D. 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 7), 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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, 2007, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2008 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 Unit

The Knox County Airport uses 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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 Airport and seven 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, Calendar, Drug Enforcement, Work Release, 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 2007.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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 2007, 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 3.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 2007 amounted to \$1,592,759.

The County has invested funds in the STAR Ohio during 2007. 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, 2007.

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.

G. Inventories

Inventories of governmental funds are valued at cost on a first-in, first-out basis 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 Unit:

Inventory of 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.

H. Prepaid Items

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. 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>Airport</u>
Buildings and Improvements	10-50 Years	10-50 Years
Machinery and Equipment	5-30 Years	5-30 Years
Vehicles	5-10 Years	5 Years
Computer Equipment	5 Years	5 Years
Sewer and Water Lines	50 Years	N/A
Infrastructure	12-100 Years	N/A
Runway	N/A	50 Years

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

K. 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 Loans	Motor Vehicle and Gas Tax Fund
Ohio Water Development Authority Loan	Sewer District Fund
Capital Leases Payable	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, 2007***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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.

M. 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.

N. 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, loan receivable from component unit, debt service and encumbered amounts not accrued at year end in the governmental funds.

O. 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.

P. 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, 2007***

NOTE 2 – RESTATEMENT OF NET ASSETS

In 2007, the County determined that Assets in the previous year for the Self Insurance Fund were overstated. The correction resulted in the restatement of the net assets at December 31, 2006 for the governmental activities and a restatement of net assets at December 31, 2006 for the Self Insurance fund, an internal service fund.

In addition, on March 2, 2007 New Hope Industries, Inc (the Workshop), a former discretely presented component unit of the County, became a stand alone Adult Day Service (ADS) provider and is no longer reported in the County’s Entity-wide statements.

	<u>Primary Government</u> Governmental Activities	<u>Component Unit</u> New Hope Industries
Net Assets at December 31, 2006	\$71,730,202	\$466,052
Decrease In Assets	(670,260)	0
Elimination of Component Unit	<u>0</u>	<u>(466,052)</u>
Restated Net Assets at December 31, 2006	<u>\$71,059,942</u>	<u>\$0</u>

	<u>Self Insurance</u> Fund
Net Assets at December 31, 2006	\$2,443,657
Decrease in Assets	<u>(670,260)</u>
Restated Net Assets at December 31, 2006	<u>\$1,773,397</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 3 - 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)	\$266,016	\$1,206,296	(\$290,516)	(\$53,710)	(\$193,288)
Increase (Decrease):					
Net Adjustments for					
Revenue Accruals	96,000	(745,658)	(163,882)	708	(89,563)
Net Adjustments for					
Expenditure Accruals	(312,449)	202,899	205,008	11,857	(29,564)
Transfers In	(93,739)	0	0	0	0
Transfers Out	86,618	0	0	0	0
Outstanding Encumbrances	(540,112)	(972,486)	(42,322)	(123,542)	(130,656)
Budget Basis	<u>(\$497,666)</u>	<u>(\$308,949)</u>	<u>(\$291,712)</u>	<u>(\$164,687)</u>	<u>(\$443,071)</u>

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$724 in the Time Out Program Fund, and \$966 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 \$1,341,183 as of December 31, 2007. 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 2007 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, 2007***

NOTE 5 - 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, 2007***

NOTE 5 - 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, \$14,119,008 of the County's bank balance of \$15,006,089 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 \$1,211,311 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 \$2,283,018 being held by MEORC and the County had cash with fiscal agents in the amount of \$138,544 held by an insurance service provider, of which \$100,000 was insured by FDIC and the remaining deposits were uninsured and uncollateralized. The County also has \$7,324 cash held by fiscal agent for escrow accounts for construction projects which were fully insured by FDIC.

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

C. Investments

The County's investments at December 31, 2007 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$10,787,654</u>	AAAm ¹	<u>\$10,787,654</u>
Total Investments	<u>\$10,787,654</u>		<u>\$10,787,654</u>

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 Unit

At year end, Knox County Airport's bank balance was \$435,056. \$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."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 6 - 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 12.5 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, 2007. 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 2007 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, 2007, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$979,075,770
Public Utility Personal Property	39,534,570
Tangible Personal Property	<u>77,143,117</u>
Total Assessed Value	<u>\$ 1,095,753,457</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 7 - 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 2007 amounted to \$5,381,156 with \$4,035,979 credited to the General Fund and \$1,345,177 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, 2007**

NOTE 8 - RECEIVABLES

Receivables at December 31, 2007, 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		Nonmajor Special Revenue Funds	
Election Costs Receivable	\$31,969	Drug Abuse Resistance Grant	26,986
Sheriff's Contracts	30,346	Litter Grant	2,000
Prisoner Housing	22,448	Youth Services Grant	147,091
Humane & Animal Control Reimbursement	12,345	VOCA Grant	39,720
Homestead and Rollback Reimbursement	148,025	Jail Diversion Grant	25,552
Local Government	501,503	Drug Court Grant	11,196
Municipal Court Fines & Costs	3,913	Emergency Management Grant	100,407
Compost Facility Reimbursement	5,585	Home Fund Grant	169,664
Public Defender Reimbursement	7,662	Citizens Corp Program Grant	9,442
Corsa	<u>7,672</u>	Municipal Court Fines & Costs	100
Total General Fund	<u>771,468</u>	Community Health Homestead and Rollback Reimbursement	52,121
Public Assistance Fund		Senior Citizen Homestead and Rollback Reimbursement	43,242
Public Assistance Grant	1,010,093	Intake Officer Grant	<u>1,298</u>
Total Public Assistance Fund	<u>1,010,093</u>	Total Nonmajor Special Revenue Funds	<u>628,819</u>
Motor Vehicle and Gasoline Tax Fund		CDBG Grant	<u>557,757</u>
Municipal Court Fines & Costs	2,364	Total Nonmajor Capital Projects Funds	<u>557,757</u>
Cents Per Gallon	424,685		
Motor Vehicle District Registration	208,773	Total Governmental Fund Types	<u>\$5,850,879</u>
County Motor Vehicle	420,945		
Road Miles	187,205	Agency Funds	
5% County Equalization	84,904	Local Government	\$930,097
New Permissive	218,454	Revenue Assistance	201,626
Old Permissive	105,206	Library Local Government	854,916
Gasoline Tax	<u>826,233</u>	Cents Per Gallon	351,851
Total Motor Vehicle and Gasoline Tax Fund	<u>2,478,769</u>	Motor Vehicle Registration	95,741
Children Service Board Fund		Township Road Miles	110,887
Children Services Homestead and Rollback Reimbursement	<u>46,744</u>	New Permissive	65,950
Total Children Services Board	<u>46,744</u>	Old Permissive	47,393
Mental Retardation Fund		Municipal Court Fines & Costs	1,767
Mental Retardation Grant	297,571	Workers Compensation	16,238
Mental Retardation Homestead and Rollback Reimbursement	<u>59,658</u>	Gasoline Tax	<u>675,663</u>
	<u>357,229</u>	Total Agency Funds	<u>\$3,352,129</u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2007:

Historical Cost:

Class	December 31, 2006	Additions	Deletions	December 31, 2007
Capital assets not being depreciated:				
Land	\$3,511,122	\$0	\$0	\$3,511,122
Subtotal	3,511,122	0	0	3,511,122
Capital assets being depreciated:				
Buildings and Improvements	26,924,065	0	0	26,924,065
Machinery and Equipment	4,455,294	174,589	(24,122)	4,605,761
Vehicles	2,631,480	266,727	(223,981)	2,674,226
Computer Equipment	1,027,637	140,538	(118,024)	1,050,151
Infrastructure	44,087,800	2,017,359	(1,342,460)	44,762,699
Subtotal	79,126,276	2,599,213	(1,708,587)	80,016,902
Total Cost	\$82,637,398	\$2,599,213	(\$1,708,587)	\$83,528,024

Accumulated Depreciation:

Class	December 31, 2006	Additions	Deletions	December 31, 2007
Buildings and Improvements	(\$6,749,265)	(\$935,766)	\$2	(\$7,685,029)
Machinery and Equipment	(2,223,940)	(227,625)	17,768	(2,433,797)
Vehicles	(1,789,090)	(171,872)	205,002	(1,755,960)
Computer Equipment	(807,195)	(89,183)	102,889	(793,489)
Infrastructure	(13,748,409)	(1,679,427)	1,342,460	(14,085,376)
Total Depreciation	(\$25,317,899)	(\$3,103,873) *	\$1,668,121	(\$26,753,651)
Net Value:	\$57,319,499			\$56,774,373

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 9 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

*Depreciation expenses were charges to governmental functions as follows:

General Government	
Legislative and Executive	\$444,963
Judicial	29,256
Public Safety	429,280
Public Works	1,858,559
Health	114,177
Human Services	227,638
Total Depreciation Expense	<u>\$3,103,873</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2007:

Historical Cost:

Class	December 31, 2006	Additions	Deletions	December 31, 2007
Capital assets not being depreciated:				
Land	\$236,839	\$0	\$0	\$236,839
Capital assets being depreciated:				
Buildings and Improvements	834,571	0	0	834,571
Machinery and Equipment	1,070,738	291,200	(3,380)	1,358,558
Vehicles	172,265	0	0	172,265
Computer Equipment	80,086	0	(15,029)	65,057
Sewer and Water Lines	2,009,927	52,977	0	2,062,904
Subtotal	<u>4,167,587</u>	<u>344,177</u>	<u>(18,409)</u>	<u>4,493,355</u>
Total Cost	<u>\$4,404,426</u>	<u>\$344,177</u>	<u>(\$18,409)</u>	<u>\$4,730,194</u>

Accumulated Depreciation:

Class	December 31, 2006	Additions	Deletions	December 31, 2007
Buildings and Improvements	(\$286,110)	(\$14,841)	\$0	(\$300,951)
Machinery and Equipment	(259,772)	(35,307)	3,380	(291,699)
Vehicles	(93,932)	(19,265)	0	(113,197)
Computer Equipment	(29,132)	(10,370)	15,029	(24,473)
Sewer and Water Lines	(867,086)	(40,199)	0	(907,285)
Total Depreciation	<u>(\$1,536,032)</u>	<u>(\$119,982)</u>	<u>\$18,409</u>	<u>(\$1,637,605)</u>
Net Value:	<u>\$2,868,394</u>			<u>\$3,092,589</u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 9 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets

A summary of the Knox County Airport's capital assets at December 31, 2007, follows:

Knox County Airport

<i>Historical Cost:</i>	December 31,			December 31,
Class	2006	Additions	Deletions	2007
<i>Capital assets not being depreciated:</i>				
Land	\$744,837	\$0	\$0	\$744,837
Construction in Progress	1,379,322	701,757	(1,379,322)	701,757
Subtotal	2,124,159	701,757	(1,379,322)	1,446,594
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	1,860,885	0	0	1,860,885
Infrastructure	2,774,709	1,379,322	0	4,154,031
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	5,228,821	1,379,322	0	6,608,143
Total Cost	\$7,352,980	\$2,081,079	(\$1,379,322)	\$8,054,737
<i>Accumulated Depreciation:</i>				
Class	December 31,	Additions	Deletions	December 31,
	2006			2007
Buildings and Improvements	(\$116,188)	(\$49,681)	\$0	(\$165,869)
Infrastructure	(144,322)	(55,494)	0	(199,816)
Machinery and Equipment	(140,272)	(18,240)	0	(158,512)
Vehicles	(39,467)	(924)	0	(40,391)
Computer Equipment	(1,825)	(212)	0	(2,037)
Total Depreciation	(\$442,074)	(\$124,551)	\$0	(\$566,625)

NOTE 10 - 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, 2007***

NOTE 10 - 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 2007. 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 \$969,958 in property taxes for the Board during 2007. 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 2007. 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, 2007***

NOTE 11 - 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 2007. 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 eighteen 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, 2007, MEORC maintained a balance of \$2,283,018 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 2007. At December 31, 2007 MEORC owed the County \$297,571 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 2007, 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, 2007***

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. Knox County Family and Children First Council (KCFCFC)

The mission of the KCFCFC is to promote and facilitate collaboration among community agencies serving children and their families and to unite the community in promoting the well-being of children and their families through leadership advocacy, and coordination of services. The Board of Trustees is made up of 16 individuals from various organizations including 5 from the County.

E. Heart of Ohio Resource Conservation and Development Council (HOCDL)

The HOCDL is a jointly governed organization created to enhance the quality of life in central Ohio by facilitating the use of natural resources for a sustainable future. The HOCDL is composed of twenty-seven members from nine member counties. The HOCDL consists of one representative from each county's Board of commissioners, one representative from each county's Soil and Water Conservation District, and one member-at-large representative from each county, jointly appointed by the Board of Commissioners and the Soil and Water Conservation District. Continued existence of the HOCDL is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

F. Perry Multi-County Juvenile Facility (JF)

The JF is a jointly governed organization created to rehabilitate juvenile offenders in lieu of commitment to the Ohio Department of Youth Services. The JF has an eight member Governing Board that consists of one juvenile court judge, or designee, from each of the eight counties. The JF also has an executive committee that handles the daily operations of the JF and reports to the Governing Board. The Executive Committee shall be composed of the officers of the Governing Board. The JF's revenues will consist of an annual grant applied for the Director of the JF and charges for services from the participating counties. In 2007, the County made no payments to the JF for housing of juvenile offenders. Continued existence of the Facility is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 12 - 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 \$217,510 in the form of insurance premiums during 2007 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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 12 - RISK MANAGEMENT (Continued)

The liability for unpaid claims costs of \$303,788 reported in the fund at December 31, 2007 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>
2006	\$330,059	\$2,799,915	(\$2,697,079)	\$432,895
2007	432,895	3,066,545	(3,195,652)	303,788

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, 2007***

NOTE 13 - 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 2007, 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 9.5 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 13.85 percent of covered salary for 2007, 8.85% to fund the pension from January 1 through June 30, 2007 and 7.85% from July 1, through December 31, 2007. The County contribution for law enforcement employees for 2007 was 17.17 percent, 12.17% to fund the pension from January 1 through June 30, 2007 and 11.17% from July 1, through December 31, 2007. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2007, 2006, and 2005 were \$2,313,998, \$2,421,974 and \$2,180,398, respectively: 93.21 percent has been contributed for 2007 and 100 percent has been contributed for 2006 and 2005. The unpaid contribution for 2007 is recorded as a liability in the respective funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 14 - 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 2007 is 13.85 percent of covered payroll for employees not engaged in law enforcement. The employer contribution rate for law enforcement employees for 2007 was 17.17 percent. The portion of employer contributions, for all employers, allocated to health care was 5.00% from January 1 through June 30, 2007 and 6.00% from July 1, through December 31, 2007.

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, 2006. 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 2006 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 5% for the next 8 years. In subsequent years (9 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 362,130. The County's actual contributions for 2007 which were used to fund postemployment benefits were \$1,040,503. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, 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, 2007***

NOTE 15 - 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, 2007, the liability for compensated absences was \$978,283 for the entire County.

NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE

One capital lease was entered into during 2005 for an excavator, and two capital leases were entered into in 2007 for a crawler dozer and for a mini excavator. The leases meet 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 for the excavator, \$77,150 for the crawler dozer and \$88,550 for the mini excavator, 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, 2007 are as follows:

<u>Year Ending December 31,</u>	<u>Engineer Department Amount</u>
2008	\$124,501
2009	<u>75,513</u>
Minimum Lease Payments	200,014
Less amount representing interest at the County's incremental borrowing rate of interest	<u>(11,677)</u>
Present value of minimum lease payments	<u><u>\$188,337</u></u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 17 - LONG-TERM LIABILITIES

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

	Balance December 31, 2006	Additions	(Reductions)	Balance December 31, 2007	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable					
1998 5.02% Children's Resource Center	\$845,000	\$0	(\$55,000)	\$790,000	\$55,000
1997 5.27% Corporate Center	1,630,000	0	(115,000)	1,515,000	120,000
2001 5.04% Correctional Facility	5,400,000	0	(260,000)	5,140,000	272,000
2001 5.05% Board of Health Center	1,350,000	0	(65,000)	1,285,000	68,000
2002 4.75% JFS Training Center	1,155,000	0	(55,000)	1,100,000	55,000
Total General Obligation Bonds	<u>10,380,000</u>	<u>0</u>	<u>(550,000)</u>	<u>9,830,000</u>	<u>570,000</u>
Ohio Public Works Commission Loan Payable	0	356,656	(35,666)	320,990	35,665
Ohio Public Works Commission Loan Payable	26,163	0	(3,270)	22,893	3,270
Total OPWC Loans Payable	<u>26,163</u>	<u>356,656</u>	<u>(38,936)</u>	<u>343,883</u>	<u>38,935</u>
Capital Leases-Motor Vehicle and Gasoline Tax Fund - Engineer Department	92,065	165,700	(69,428)	188,337	116,590
Compensated Absences	939,391	1,166,139	(1,150,401)	955,129	662,374
Total Governmental Activities	<u>\$11,437,619</u>	<u>\$1,688,495</u>	<u>(\$1,808,765)</u>	<u>\$11,317,349</u>	<u>\$1,387,899</u>
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):					
2000 2.00% Water Treatment Plant/Clearwells/Wellfield	\$66,695	\$0	(\$2,233)	\$64,462	\$2,359
Total Ohio Water Development Authority Loans	<u>66,695</u>	<u>0</u>	<u>(2,233)</u>	<u>64,462</u>	<u>2,359</u>
Landfill Postclosure Care Liability	1,667,922	0	(107,635)	1,560,287	79,100
Compensated Absences	30,639	39,547	(47,032)	23,154	11,996
Total Business-Type Long-Term Liabilities	<u>\$1,765,256</u>	<u>\$39,547</u>	<u>(\$156,900)</u>	<u>\$1,647,903</u>	<u>\$93,455</u>

The capital leases will be paid from a special revenue 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 partially paid by the Boy's Village Inc. If Boy's Village Inc. does not pay their portion, the bonds will be paid by Children Services monies. The OWDA loan will be paid through special assessments. The OPWC loans are for street improvement and bridge replacement projects and are paid through the Motor Vehicle and Gasoline Tax Fund. Compensated absences are reported as long-term liabilities and will be paid from the fund from which the employee is paid.

In 2007, the County entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the County to receive two loans in the amount of \$652,547 and \$131,601 respectively. The amounts are subject to change and have not been finalized. The interest rate on the loans is 5.11% and 4.67%, respectively per annum. These loans are payable from sewer charges and are received by the County in increments as the projects are completed. As of December 31, 2007, the County had not received any funds from OWDA. Amounts will be received in future years. The County will begin repaying the loans in semiannual payments beginning in 2008.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2007**

NOTE 17 - LONG-TERM LIABILITIES (Continued)

Corporate Center bond requirements to maturity, including \$489,930 of interest; Children’s Resource Center bond requirements to maturity, including \$254,675 of interest; Correctional Facility bond requirements to maturity, including \$2,066,482 of interest; Board of Health Center bond requirements to maturity, including \$516,621 of interest; JFS Training Center bond requirements to maturity, including \$435,418 of interest; the OWDA Loan requirements to maturity, including \$36,025 of interest; and the OPWC Loan requirements to maturity which is noninterest bearing are as follows:

Governmental Activities:

Years	General Obligation Bonds		OPWC Loans Payable
	Principal	Interest	Principal
2008	\$570,000	\$471,955	\$38,935
2009	595,000	447,753	38,937
2010	615,000	421,703	38,937
2011	650,000	394,050	38,937
2012	680,000	364,088	38,936
2013-2017	3,905,000	1,299,827	149,201
2018-2022	2,815,000	363,750	0
Totals	<u>\$9,830,000</u>	<u>\$3,763,126</u>	<u>\$343,883</u>

Business-type Activities:

Years	OWDA Loan Payable	
	Principal	Interest
2008	\$2,359	\$3,552
2009	2,492	3,419
2010	2,633	3,278
2011	2,781	3,130
2012	2,938	2,973
2013-2017	17,369	12,186
2018-2022	22,848	6,707
2023-2024	11,042	780
Totals	<u>\$64,462</u>	<u>\$36,025</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 17 - 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, 2007, are an overall debt margin of \$21,863,267; and an unvoted debt margin of \$6,926,966.

NOTE 18 - BONDS PAYABLE AND LOANS PAYABLE

Component Unit

On July 28, 2005 the Airport secured a loan with the United States Department of Agriculture - Rural Development (USDA) for \$775,000 for the purpose of airplane hanger construction which began in 2005. The loan is secured by Airport Revenue Bonds issued by the Airport and purchased by the USDA. At December 31, 2007, the Airport had drawn down the entire loan amount of \$775,000. The loan will be paid in installments over the next 28 years at an interest rate of 4.125%. At December 31, 2007, \$747,400 has been included in the long term liability section of the Airport's statement of net assets.

At December 31, 2007, the Knox County Airport also had \$104,500 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 the next 11 years. The Knox County Airport also has loans payable to the Primary Government outstanding at December 31, 2007, in the amount of \$190,000 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, 2007**

NOTE 19 - INTERFUND TRANSACTIONS

The following balances at December 31, 2007 represent transfers in and transfers out:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$157,176	\$1,338,628
Public Assistance Fund	200,000	305,362
Other Governmental Funds	1,358,591	64,656
Total Governmental Funds	1,715,767	1,708,646
Business-Type Activities:		
Sewer District Fund	0	93,739
Landfill Fund	86,618	0
Total Enterprise Funds	86,618	93,739
Totals	\$1,802,385	\$1,802,385

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, 2007, 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	\$22,898	\$127,476
Public Assistance	0	8,227
Motor Vehicle & Gas Tax	0	9,895
Other Governmental Funds	127,476	4,776
Total Due from/Due to Other Funds	\$150,374	\$150,374
<u>Interfund Receivables/Payables:</u>		
Other Governmental Funds	\$23,400	\$23,400
Total Interfund Receivables/Payables	\$23,400	\$23,400

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, 2007***

NOTE 20 - 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 21 - 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, 2007 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 22 - RELATED PARTY TRANSACTIONS

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 the Component Unit are reflected in the General Fund of the County for the balance of the loan. See Note 18 for further information.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2007***

NOTE 23 - 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.

Also, at December 31, 2007, Industrial Revenue Bonds outstanding for Knox Community Hospital totaled \$31,700,000.

*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".

Computer Firewall Fund

The fund accounts for a state grant received for the Knox County Probate Court to purchase and install a new firewall on the computer system. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

Special Revenue Funds

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.

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 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 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.

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.

(Continued)

Special Revenue Funds

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 Act Fund

The fund accounts for grant monies designated for the upgrade of voting equipment. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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 Grant 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.)

(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.) (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.

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.

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,786,878	\$ 580,514	\$ 653,679	\$ 5,021,071
Cash and Cash Equivalents in Segregated Accounts	72,337	0	0	72,337
Cash and Cash Equivalents with Fiscal Agent	0	0	7,324	7,324
Receivables:				
Taxes	1,989,377	0	0	1,989,377
Accounts	68,599	0	0	68,599
Intergovernmental	628,819	0	557,757	1,186,576
Interest	288	0	39	327
Special Assessments	11,606	0	0	11,606
Loans	76,193	0	0	76,193
Due from Other Funds	0	127,476	0	127,476
Interfund Receivable	23,400	0	0	23,400
Prepaid Items	2,503	0	0	2,503
Total Assets	\$ 6,660,000	\$ 707,990	\$ 1,218,799	\$ 8,586,789
Liabilities:				
Accounts Payable	\$ 83,752	\$ 0	\$ 59,853	\$ 143,605
Accrued Wages and Benefits Payable	94,862	0	0	94,862
Intergovernmental Payable	57,569	0	0	57,569
Contracts Payable	69,271	0	0	69,271
Matured Bonds and Interest Payable	0	48,379	0	48,379
Due to Other Funds	4,776	0	0	4,776
Interfund Payable	23,400	0	0	23,400
Deferred Revenue	2,500,835	0	515,757	3,016,592
Total Liabilities	2,834,465	48,379	575,610	3,458,454
Fund Balances:				
Reserved for Encumbrances	266,124	0	31,776	297,900
Reserved for Debt Service	0	659,611	0	659,611
Reserved for Loans Receivable	76,193	0	0	76,193
Unreserved, Undesignated in:				
Special Revenue Funds	3,483,218	0	0	3,483,218
Capital Projects Funds	0	0	611,413	611,413
Total Fund Balances	3,825,535	659,611	643,189	5,128,335
Total Liabilities and Fund Balances	\$ 6,660,000	\$ 707,990	\$ 1,218,799	\$ 8,586,789

KNOX COUNTY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 3,232,013	\$ 0	\$ 0	\$ 3,232,013
Intergovernmental Revenues	2,136,373	0	1,001,266	3,137,639
Charges for Services	1,094,578	0	0	1,094,578
Licenses and Permits	134,329	0	0	134,329
Investment Earnings	7,527	0	585	8,112
Special Assessments	12,710	12,517	0	25,227
Fines and Forfeitures	15,948	0	0	15,948
All Other Revenue	228,941	216,424	1,252	446,617
Total Revenue	6,862,419	228,941	1,003,103	8,094,463
Expenditures:				
Current:				
General Government				
Legislative and Executive	1,260,871	0	0	1,260,871
Judicial	222,623	0	0	222,623
Public Safety	2,070,999	0	0	2,070,999
Public Works	13,463	0	0	13,463
Health	317,007	0	0	317,007
Human Services	1,302,731	0	0	1,302,731
Intergovernmental	2,081,824	0	0	2,081,824
Capital Outlay	2,704	0	1,275,864	1,278,568
Debt Service:				
Principal Retirement	0	550,000	0	550,000
Interest and Fiscal Charges	0	494,590	0	494,590
Total Expenditures	7,272,222	1,044,590	1,275,864	9,592,676
Excess (Deficiency) of Revenues				
Over Expenditures	(409,803)	(815,649)	(272,761)	(1,498,213)
Other Financing Sources (Uses):				
Transfers In	39,219	819,372	500,000	1,358,591
Transfers Out	(64,656)	0	0	(64,656)
Total Other Financing Sources (Uses)	(25,437)	819,372	500,000	1,293,935
Net Change in Fund Balances	(435,240)	3,723	227,239	(204,278)
Fund Balances at Beginning of Year	4,260,775	655,888	415,950	5,332,613
Fund Balances End of Year	\$ 3,825,535	\$ 659,611	\$ 643,189	\$ 5,128,335

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Dog and Kennel	Indigent Guardianship	Conduct of Business	Courts Computer	Recorder's Equipment
Assets:					
Cash and Cash Equivalents	\$ 98,848	\$ 4,256	\$ 787	\$ 32,938	\$ 34,667
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	464	710	17	2,234	276
Intergovernmental	100	0	0	0	0
Interest	0	0	0	288	0
Special Assessments	0	0	0	0	0
Loans	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$ 99,412	\$ 4,966	\$ 804	\$ 35,460	\$ 34,943
Liabilities:					
Accounts Payable	\$ 6,512	\$ 0	\$ 0	\$ 0	\$ 1,092
Accrued Wages and Benefits Payable	3,725	0	0	0	0
Intergovernmental Payable	2,358	0	0	0	0
Contracts Payable	1,619	0	0	0	0
Due to Other Funds	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	14,214	0	0	0	1,092
Fund Balances:					
Reserved for Encumbrances	3,723	0	0	532	3,680
Reserved for Loans Receivable	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	81,475	4,966	804	34,928	30,171
Total Fund Balances	85,198	4,966	804	35,460	33,851
Total Liabilities and Fund Balances	\$ 99,412	\$ 4,966	\$ 804	\$ 35,460	\$ 34,943

KNOX COUNTY, OHIO

<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>	<u>Delinquent Tax Assessment Collection</u>
\$ 6,129	\$ 150	\$ 98	\$ 12,895	\$ 77,416	\$ 75,738	\$ 275,987
0	0	0	0	0	0	0
0	0	0	0	0	0	0
177	0	0	400	2,589	14,608	619
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	23,400	0	0
0	0	0	0	0	0	0
<u>\$ 6,306</u>	<u>\$ 150</u>	<u>\$ 98</u>	<u>\$ 13,295</u>	<u>\$ 103,405</u>	<u>\$ 90,346</u>	<u>\$ 276,606</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 319	\$ 140	\$ 0
0	516	0	0	2,919	4,604	2,120
0	358	0	78	1,783	2,770	1,234
0	0	0	0	0	0	2,282
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>874</u>	<u>0</u>	<u>78</u>	<u>5,021</u>	<u>7,514</u>	<u>5,636</u>
0	0	0	0	0	1,396	30,554
0	0	0	0	0	0	0
<u>6,306</u>	<u>(724)</u>	<u>98</u>	<u>13,217</u>	<u>98,384</u>	<u>81,436</u>	<u>240,416</u>
<u>6,306</u>	<u>(724)</u>	<u>98</u>	<u>13,217</u>	<u>98,384</u>	<u>82,832</u>	<u>270,970</u>
<u>\$ 6,306</u>	<u>\$ 150</u>	<u>\$ 98</u>	<u>\$ 13,295</u>	<u>\$ 103,405</u>	<u>\$ 90,346</u>	<u>\$ 276,606</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	VOCA and SVAA Grant	Marine Patrol Grant	Drug Abuse Resistance Education Grant	Common Pleas Jail Diversion Grant	Byrne Drug Court
Assets:					
Cash and Cash Equivalents	\$ 3,977	\$ 4,424	\$ 5,415	\$ 5,484	\$ 24,032
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	39,720	0	26,986	25,552	11,196
Interest	0	0	0	0	0
Special Assessments	0	0	0	0	0
Loans	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$ 43,697	\$ 4,424	\$ 32,401	\$ 31,036	\$ 35,228
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	1,320	0	0	1,973	980
Intergovernmental Payable	820	116	218	1,208	618
Contracts Payable	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Interfund Payable	0	0	0	0	23,400
Deferred Revenue	39,720	0	26,986	12,010	11,196
Total Liabilities	41,860	116	27,204	15,191	36,194
Fund Balances:					
Reserved for Encumbrances	316	79	100	0	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	1,521	4,229	5,097	15,845	(966)
Total Fund Balances	1,837	4,308	5,197	15,845	(966)
Total Liabilities and Fund Balances	\$ 43,697	\$ 4,424	\$ 32,401	\$ 31,036	\$ 35,228

KNOX COUNTY, OHIO

<u>911 Emergency Calling System</u>	<u>Litter Control and Recycling</u>	<u>Child Support Enforcement Agency</u>	<u>Real Estate Assessment</u>	<u>Youth Services Grant</u>	<u>Ditch Maintenance</u>	<u>Water Resource Study</u>
\$ 1,707,634	\$ 16,798	\$ 238,380	\$ 572,914	\$ 219,861	\$ 22,362	\$ 500
0	0	0	0	0	0	0
213,448	0	0	0	0	0	0
0	0	13,331	0	0	0	0
0	2,000	0	0	147,091	0	0
0	0	0	0	0	0	0
0	0	0	0	0	11,606	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,503	0	0	0	0	0	0
<u>\$ 1,923,585</u>	<u>\$ 18,798</u>	<u>\$ 251,711</u>	<u>\$ 572,914</u>	<u>\$ 366,952</u>	<u>\$ 33,968</u>	<u>\$ 500</u>
\$ 2,200	\$ 750	\$ 0	\$ 1,000	\$ 1,118	\$ 0	\$ 0
42,037	529	18,939	7,822	6,818	0	0
25,082	304	10,772	4,729	4,020	0	0
0	0	0	65,197	0	0	0
0	0	4,776	0	0	0	0
0	0	0	0	0	0	0
112,300	2,000	0	0	147,091	11,606	0
<u>181,619</u>	<u>3,583</u>	<u>34,487</u>	<u>78,748</u>	<u>159,047</u>	<u>11,606</u>	<u>0</u>
21,579	400	18,218	170,555	0	0	0
0	0	0	0	0	0	0
<u>1,720,387</u>	<u>14,815</u>	<u>199,006</u>	<u>323,611</u>	<u>207,905</u>	<u>22,362</u>	<u>500</u>
<u>1,741,966</u>	<u>15,215</u>	<u>217,224</u>	<u>494,166</u>	<u>207,905</u>	<u>22,362</u>	<u>500</u>
<u>\$ 1,923,585</u>	<u>\$ 18,798</u>	<u>\$ 251,711</u>	<u>\$ 572,914</u>	<u>\$ 366,952</u>	<u>\$ 33,968</u>	<u>\$ 500</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Emergency Management Agency	Family Resources	Home	Marriage License	Storm Water Management
Assets:					
Cash and Cash Equivalents	\$ 105,441	\$ 23,370	\$ 37,353	\$ 0	\$ 14,565
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	755	0
Intergovernmental	100,407	0	169,664	0	0
Interest	0	0	0	0	0
Special Assessments	0	0	0	0	0
Loans	0	0	0	0	0
Interfund Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$ 205,848	\$ 23,370	\$ 207,017	\$ 755	\$ 14,565
Liabilities:					
Accounts Payable	\$ 963	\$ 327	\$ 20,000	\$ 0	\$ 0
Accrued Wages and Benefits Payable	538	0	0	0	22
Intergovernmental Payable	906	0	0	0	86
Contracts Payable	173	0	0	0	0
Due to Other Funds	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	100,407	0	159,560	0	0
Total Liabilities	102,987	327	179,560	0	108
Fund Balances:					
Reserved for Encumbrances	2,826	10,293	0	0	0
Reserved for Loans Receivable	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	100,035	12,750	27,457	755	14,457
Total Fund Balances	102,861	23,043	27,457	755	14,457
Total Liabilities and Fund Balances	\$ 205,848	\$ 23,370	\$ 207,017	\$ 755	\$ 14,565

KNOX COUNTY, OHIO

Concealed Handgun License	WIA Programs	Flood Assistance	Citizen Corps Program Grant	Supervision Fee	Parenting Seminar	Immobilized Vehicle
\$ 20,949	\$ 128,920	\$ 191	\$ 2,842	\$ 9,367	\$ 1,143	\$ 732
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	31,414	0	0	1,005	0	0
0	0	0	9,442	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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 20,949</u>	<u>\$ 160,334</u>	<u>\$ 191</u>	<u>\$ 12,284</u>	<u>\$ 10,372</u>	<u>\$ 1,143</u>	<u>\$ 732</u>
\$ 0	\$ 49,331	\$ 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	0	0	9,442	0	0	0
<u>0</u>	<u>49,331</u>	<u>0</u>	<u>9,442</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,873	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>19,076</u>	<u>111,003</u>	<u>191</u>	<u>2,842</u>	<u>10,372</u>	<u>1,143</u>	<u>732</u>
<u>20,949</u>	<u>111,003</u>	<u>191</u>	<u>2,842</u>	<u>10,372</u>	<u>1,143</u>	<u>732</u>
<u>\$ 20,949</u>	<u>\$ 160,334</u>	<u>\$ 191</u>	<u>\$ 12,284</u>	<u>\$ 10,372</u>	<u>\$ 1,143</u>	<u>\$ 732</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007**

	Intake Officer Grant	Commissary	Law Enforcement	Drug Enforcement	Revolving Loan
Assets:					
Cash and Cash Equivalents	\$ 315	\$ 0	\$ 0	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	0	3,495	10,564	9,448	47,378
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	1,298	0	0	0	0
Interest	0	0	0	0	0
Special Assessments	0	0	0	0	0
Loans	0	0	0	0	76,193
Interfund Receivable	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	<u>\$ 1,613</u>	<u>\$ 3,495</u>	<u>\$ 10,564</u>	<u>\$ 9,448</u>	<u>\$ 123,571</u>
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	109	0	0	0	0
Contracts Payable	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	1,298	0	0	0	0
Total Liabilities	<u>1,407</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Loans Receivable	0	0	0	0	76,193
Unreserved, Undesignated in:					
Special Revenue Funds	206	3,495	10,564	9,448	47,378
Total Fund Balances	<u>206</u>	<u>3,495</u>	<u>10,564</u>	<u>9,448</u>	<u>123,571</u>
Total Liabilities and Fund Balances	<u>\$ 1,613</u>	<u>\$ 3,495</u>	<u>\$ 10,564</u>	<u>\$ 9,448</u>	<u>\$ 123,571</u>

KNOX COUNTY, OHIO

<u>Calendar</u>	<u>Work Release</u>	<u>Community Mental Health</u>	<u>Senior Citizens</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,786,878
146	1,306	0	0	72,337
0	0	992,566	783,363	1,989,377
0	0	0	0	68,599
0	0	52,121	43,242	628,819
0	0	0	0	288
0	0	0	0	11,606
0	0	0	0	76,193
0	0	0	0	23,400
0	0	0	0	2,503
<u>\$ 146</u>	<u>\$ 1,306</u>	<u>\$ 1,044,687</u>	<u>\$ 826,605</u>	<u>\$ 6,660,000</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,752
0	0	0	0	94,862
0	0	0	0	57,569
0	0	0	0	69,271
0	0	0	0	4,776
0	0	0	0	23,400
0	0	1,042,447	824,772	2,500,835
<u>0</u>	<u>0</u>	<u>1,042,447</u>	<u>824,772</u>	<u>2,834,465</u>
0	0	0	0	266,124
0	0	0	0	76,193
146	1,306	2,240	1,833	3,483,218
<u>146</u>	<u>1,306</u>	<u>2,240</u>	<u>1,833</u>	<u>3,825,535</u>
<u>\$ 146</u>	<u>\$ 1,306</u>	<u>\$ 1,044,687</u>	<u>\$ 826,605</u>	<u>\$ 6,660,000</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2007***

	Dog and Kennel	Indigent Guardianship	Conduct of Business	Courts Computer	Recorder's Equipment
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0	0
Charges for Services	23,398	7,585	411	31,077	48,196
Licenses and Permits	129,875	0	0	0	0
Investment Earnings	0	0	0	3,246	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	1,385	0	0	0	0
All Other Revenue	9,298	0	0	1,106	0
Total Revenue	163,956	7,585	411	35,429	48,196
Expenditures:					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	46,992
Judicial	0	9,343	0	36,210	0
Public Safety	0	0	0	0	0
Public Works	0	0	0	0	0
Health	257,549	0	0	0	0
Human Services	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	257,549	9,343	0	36,210	46,992
Excess (Deficiency) of Revenues Over Expenditures	(93,593)	(1,758)	411	(781)	1,204
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(93,593)	(1,758)	411	(781)	1,204
Fund Balances at Beginning of Year	178,791	6,724	393	36,241	32,647
Fund Balances End of Year	\$ 85,198	\$ 4,966	\$ 804	\$ 35,460	\$ 33,851

KNOX COUNTY, OHIO

Courts' Computer Research	Time Out Program	Computer Firewall	Court Security	Probate- Juvenile Special Project	Juvenile Court Social Workers	Automated Title Processing	Delinquent Tax Assessment Collection
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,556
0	0	14,014	0	0	37	0	0
2,496	0	0	0	0	0	214,585	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	3,360
0	0	0	0	4,006	0	0	0
0	6,000	0	0	0	114,131	15	8,263
<u>2,496</u>	<u>6,000</u>	<u>14,014</u>	<u>0</u>	<u>4,006</u>	<u>114,168</u>	<u>214,600</u>	<u>107,179</u>
0	0	0	0	0	0	0	197,449
592	0	0	0	0	0	161,841	0
0	13,967	14,014	0	22,148	115,894	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	0
<u>592</u>	<u>13,967</u>	<u>14,014</u>	<u>0</u>	<u>22,148</u>	<u>115,894</u>	<u>161,841</u>	<u>197,449</u>
1,904	(7,967)	0	0	(18,142)	(1,726)	52,759	(90,270)
0	8,000	0	0	0	1,219	0	0
0	0	0	0	0	0	(50,000)	0
<u>0</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,219</u>	<u>(50,000)</u>	<u>0</u>
1,904	33	0	0	(18,142)	(507)	2,759	(90,270)
4,402	(757)	0	98	31,359	98,891	80,073	361,240
<u>\$ 6,306</u>	<u>\$ (724)</u>	<u>\$ 0</u>	<u>\$ 98</u>	<u>\$ 13,217</u>	<u>\$ 98,384</u>	<u>\$ 82,832</u>	<u>\$ 270,970</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, 2007***

	VOCA and SVAA Grant	Marine Patrol Grant	Drug Abuse Resistance Education Grant	Common Pleas Jail Diversion Grant	Byrne Drug Court
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	28,519	18,036	26,208	51,870	49,983
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	0	0	5,636	0	0
Total Revenue	28,519	18,036	31,844	51,870	49,983
Expenditures:					
Current:					
General Government:					
Legislative and Executive	40,056	0	0	0	0
Judicial	0	0	0	0	0
Public Safety	0	17,213	40,189	50,022	37,654
Public Works	0	0	0	0	0
Health	0	0	0	0	0
Human Services	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	40,056	17,213	40,189	50,022	37,654
Excess (Deficiency) of Revenues Over Expenditures	(11,537)	823	(8,345)	1,848	12,329
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	(1,219)
Total Other Financing Sources (Uses)	0	0	0	0	(1,219)
Net Change in Fund Balances	(11,537)	823	(8,345)	1,848	11,110
Fund Balances at Beginning of Year	13,374	3,485	13,542	13,997	(12,076)
Fund Balances End of Year	\$ 1,837	\$ 4,308	\$ 5,197	\$ 15,845	\$ (966)

KNOX COUNTY, OHIO

911 Emergency Calling System	Child Abuse Prevention Grant	Litter Control and Recycling	Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant	Ditch Maintenance	Water Resource Study
\$ 1,345,177	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
128,557	17,045	33,769	546,085	0	268,861	0	0
0	0	0	122,771	514,992	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	9,350	0
0	0	0	0	0	0	0	0
239	0	878	45,921	0	0	0	0
<u>1,473,973</u>	<u>17,045</u>	<u>34,647</u>	<u>714,777</u>	<u>514,992</u>	<u>268,861</u>	<u>9,350</u>	<u>0</u>
0	0	0	0	974,165	0	0	0
0	0	0	0	0	0	0	0
1,364,798	0	0	0	0	211,723	0	0
0	0	0	0	0	0	0	0
0	0	35,980	0	0	0	0	0
0	17,045	0	634,076	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	2,704	0
<u>1,364,798</u>	<u>17,045</u>	<u>35,980</u>	<u>634,076</u>	<u>974,165</u>	<u>211,723</u>	<u>2,704</u>	<u>0</u>
109,175	0	(1,333)	80,701	(459,173)	57,138	6,646	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
109,175	0	(1,333)	80,701	(459,173)	57,138	6,646	0
1,632,791	0	16,548	136,523	953,339	150,767	15,716	500
<u>\$ 1,741,966</u>	<u>\$ 0</u>	<u>\$ 15,215</u>	<u>\$ 217,224</u>	<u>\$ 494,166</u>	<u>\$ 207,905</u>	<u>\$ 22,362</u>	<u>\$ 500</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, 2007***

	Emergency Management Agency	Family Resources	Home	Marriage License	Help America Vote Act
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	39,461	32,853	119,901	0	0
Charges for Services	0	0	0	15,408	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	1,500	0	0	0	0
Total Revenue	40,961	32,853	119,901	15,408	0
Expenditures:					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	2,209
Judicial	0	0	0	0	0
Public Safety	84,291	0	0	0	0
Public Works	0	0	0	0	0
Health	0	0	0	23,478	0
Human Services	0	21,999	130,942	0	0
Intergovernmental	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	84,291	21,999	130,942	23,478	2,209
Excess (Deficiency) of Revenues Over Expenditures	(43,330)	10,854	(11,041)	(8,070)	(2,209)
Other Financing Sources (Uses):					
Transfers In	30,000	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	30,000	0	0	0	0
Net Change in Fund Balances	(13,330)	10,854	(11,041)	(8,070)	(2,209)
Fund Balances at Beginning of Year	116,191	12,189	38,498	8,825	2,209
Fund Balances End of Year	\$ 102,861	\$ 23,043	\$ 27,457	\$ 755	\$ 0

KNOX COUNTY, OHIO

<u>Storm Water Management</u>	<u>Concealed Handgun License</u>	<u>WIA Programs</u>	<u>Flood Assistance</u>	<u>Citizen Corps Program Grant</u>	<u>Supervision Fee</u>	<u>Parenting Seminar</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	456,620	0	7,313	0	0
24,155	15,410	0	0	0	13,388	6,420
0	4,454	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	31,414	0	4,410	130	0
<u>24,155</u>	<u>19,864</u>	<u>488,034</u>	<u>0</u>	<u>11,723</u>	<u>13,518</u>	<u>6,420</u>
0	0	0	0	0	0	0
0	0	0	0	0	8,880	5,757
0	13,882	0	0	8,900	0	0
13,463	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	462,635	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>13,463</u>	<u>13,882</u>	<u>462,635</u>	<u>0</u>	<u>8,900</u>	<u>8,880</u>	<u>5,757</u>
10,692	5,982	25,399	0	2,823	4,638	663
0	0	0	0	0	0	0
<u>(13,437)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(13,437)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,745)	5,982	25,399	0	2,823	4,638	663
17,202	14,967	85,604	191	19	5,734	480
<u>\$ 14,457</u>	<u>\$ 20,949</u>	<u>\$ 111,003</u>	<u>\$ 191</u>	<u>\$ 2,842</u>	<u>\$ 10,372</u>	<u>\$ 1,143</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, 2007***

	Immobilized Vehicle	Intake Officer Grant	Commissary	Law Enforcement	Drug Enforcement
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	6,722	0	0	0
Charges for Services	200	0	49,231	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	47	25
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	0	10,557	0
All Other Revenue	0	0	0	0	0
Total Revenue	200	6,722	49,231	10,604	25
Expenditures:					
Current:					
General Government:					
Legislative and Executive	0	0	0	0	0
Judicial	0	0	0	0	0
Public Safety	0	15,328	54,327	1,437	523
Public Works	0	0	0	0	0
Health	0	0	0	0	0
Human Services	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	0	15,328	54,327	1,437	523
Excess (Deficiency) of Revenues Over Expenditures	200	(8,606)	(5,096)	9,167	(498)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	200	(8,606)	(5,096)	9,167	(498)
Fund Balances at Beginning of Year	532	8,812	8,591	1,397	9,946
Fund Balances End of Year	\$ 732	\$ 206	\$ 3,495	\$ 10,564	\$ 9,448

KNOX COUNTY, OHIO

Revolving Loan	Calendar	Work Release	Law Enforcement Cadets	Community Mental Health	Senior Citizens	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 969,944	\$ 821,336	\$ 3,232,013
0	0	0	0	155,078	135,441	2,136,373
0	0	4,855	0	0	0	1,094,578
0	0	0	0	0	0	134,329
4,208	1	0	0	0	0	7,527
0	0	0	0	0	0	12,710
0	0	0	0	0	0	15,948
0	0	0	0	0	0	228,941
<u>4,208</u>	<u>1</u>	<u>4,855</u>	<u>0</u>	<u>1,125,022</u>	<u>956,777</u>	<u>6,862,419</u>
0	0	0	0	0	0	1,260,871
0	0	0	0	0	0	222,623
0	0	4,687	2	0	0	2,070,999
0	0	0	0	0	0	13,463
0	0	0	0	0	0	317,007
36,034	0	0	0	0	0	1,302,731
0	0	0	0	1,125,036	956,788	2,081,824
0	0	0	0	0	0	2,704
<u>36,034</u>	<u>0</u>	<u>4,687</u>	<u>2</u>	<u>1,125,036</u>	<u>956,788</u>	<u>7,272,222</u>
(31,826)	1	168	(2)	(14)	(11)	(409,803)
0	0	0	0	0	0	39,219
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(64,656)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(25,437)</u>
(31,826)	1	168	(2)	(14)	(11)	(435,240)
155,397	145	1,138	2	2,254	1,844	4,260,775
<u>\$ 123,571</u>	<u>\$ 146</u>	<u>\$ 1,306</u>	<u>\$ 0</u>	<u>\$ 2,240</u>	<u>\$ 1,833</u>	<u>\$ 3,825,535</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007**

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 580,334	\$ 180	\$ 580,514
Due from Other Funds	<u>127,476</u>	<u>0</u>	<u>127,476</u>
Total Assets	<u>\$ 707,810</u>	<u>\$ 180</u>	<u>\$ 707,990</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	<u>659,431</u>	<u>180</u>	<u>659,611</u>
Total Fund Balances	<u>659,431</u>	<u>180</u>	<u>659,611</u>
Total Liabilities and Fund Balances	<u>\$ 707,810</u>	<u>\$ 180</u>	<u>\$ 707,990</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2007***

	Bond Retirement	Ohio Water Development Authority	Total Nonmajor Debt Service Funds
Revenues:			
Special Assessments	\$ 12,517	\$ 0	\$ 12,517
All Other Revenue	216,424	0	216,424
Total Revenue	<u>228,941</u>	<u>0</u>	<u>228,941</u>
Expenditures:			
Debt Service:			
Principal Retirement	550,000	0	550,000
Interest and Fiscal Charges	494,590	0	494,590
Total Expenditures	<u>1,044,590</u>	<u>0</u>	<u>1,044,590</u>
Excess (Deficiency) of Revenues Over Expenditures	(815,649)	0	(815,649)
Other Financing Sources (Uses):			
Transfers In	819,372	0	819,372
Total Other Financing Sources (Uses)	<u>819,372</u>	<u>0</u>	<u>819,372</u>
Net Change in Fund Balances	3,723	0	3,723
Fund Balances at Beginning of Year	<u>655,708</u>	<u>180</u>	<u>655,888</u>
Fund Balances End of Year	<u>\$ 659,431</u>	<u>\$ 180</u>	<u>\$ 659,611</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2007**

	<u>Permanent Improvement</u>	<u>Dog and Kennel Equipment</u>	<u>Community Development Block Grant</u>	<u>Fredericktown Sewer Project</u>
Assets:				
Cash and Cash Equivalents	\$ 568,097	\$ 715	\$ 76,688	\$ 6,794
Cash and Cash Equivalents with Fiscal Agent	7,324	0	0	0
Receivables:				
Intergovernmental	0	0	557,757	0
Interest	0	0	39	0
Total Assets	<u>\$ 575,421</u>	<u>\$ 715</u>	<u>\$ 634,484</u>	<u>\$ 6,794</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 59,853	\$ 0
Deferred Revenue	0	0	515,757	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>575,610</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	21,667	0	10,109	0
Unreserved, Undesignated in :				
Capital Projects Funds	553,754	715	48,765	6,794
Total Fund Balances	<u>575,421</u>	<u>715</u>	<u>58,874</u>	<u>6,794</u>
Total Liabilities and Fund Balances	<u>\$ 575,421</u>	<u>\$ 715</u>	<u>\$ 634,484</u>	<u>\$ 6,794</u>

KNOX COUNTY, OHIO

<u>Industrial Site Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 1,385	\$ 653,679
0	7,324
0	557,757
0	39
<u>\$ 1,385</u>	<u>\$ 1,218,799</u>
\$ 0	\$ 59,853
0	515,757
0	575,610
0	31,776
<u>1,385</u>	<u>611,413</u>
<u>1,385</u>	<u>643,189</u>
<u>\$ 1,385</u>	<u>\$ 1,218,799</u>

KNOX COUNTY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2007**

	<u>Permanent Improvement</u>	<u>Dog and Kennel Equipment</u>	<u>Community Development Block Grant</u>	<u>Fredericktown Sewer Project</u>
Revenues:				
Intergovernmental Revenues	\$ 141,378	\$ 0	\$ 355,687	\$ 0
Investment Earnings	81	0	504	0
All Other Revenue	<u>0</u>	<u>1,252</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>141,459</u>	<u>1,252</u>	<u>356,191</u>	<u>0</u>
Expenditures:				
Capital Outlay	<u>427,685</u>	<u>1,328</u>	<u>344,035</u>	<u>0</u>
Total Expenditures	<u>427,685</u>	<u>1,328</u>	<u>344,035</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(286,226)	(76)	12,156	0
Other Financing Sources (Uses):				
Transfers In	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	213,774	(76)	12,156	0
Fund Balances at Beginning of Year	<u>361,647</u>	<u>791</u>	<u>46,718</u>	<u>6,794</u>
Fund Balances End of Year	<u>\$ 575,421</u>	<u>\$ 715</u>	<u>\$ 58,874</u>	<u>\$ 6,794</u>

KNOX COUNTY, OHIO

Engineering Projects	Industrial Site Improvement	Total Nonmajor Capital Project Funds
\$ 502,816	\$ 1,385	\$ 1,001,266
0	0	585
0	0	1,252
<u>502,816</u>	<u>1,385</u>	<u>1,003,103</u>
 502,816	 0	 1,275,864
<u>502,816</u>	<u>0</u>	<u>1,275,864</u>
 0	 1,385	 (272,761)
<u>0</u>	<u>0</u>	<u>500,000</u>
<u>0</u>	<u>0</u>	<u>500,000</u>
 0	 1,385	 227,239
<u>0</u>	<u>0</u>	<u>415,950</u>
<u>\$ 0</u>	<u>\$ 1,385</u>	<u>\$ 643,189</u>

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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 8,186,000	\$ 8,186,000	\$ 7,861,021	\$ (324,979)
Intergovernmental Revenues	1,890,318	1,890,318	1,931,754	41,436
Charges for Services	2,130,200	2,130,200	1,738,013	(392,187)
Licenses and Permits	5,900	5,900	4,347	(1,553)
Investment Earnings	1,313,506	1,313,506	1,370,268	56,762
Fines and Forfeitures	78,000	78,000	69,863	(8,137)
All Other Revenues	779,500	780,200	609,322	(170,878)
Total Revenues	<u>14,383,424</u>	<u>14,384,124</u>	<u>13,584,588</u>	<u>(799,536)</u>
Expenditures:				
General Government - Legislative and Executive:				
Commissioners:				
Personal Services	282,883	283,467	256,823	26,644
Materials and Supplies	185,095	160,595	150,055	10,540
Contractual Services	173,585	168,585	106,510	62,075
Other Expenditures	406,599	451,599	447,924	3,675
Total Commissioners	<u>1,048,162</u>	<u>1,064,246</u>	<u>961,312</u>	<u>102,934</u>
County Microfilming:				
Personal Services	24,450	24,880	24,665	215
Other Expenditures	6,855	6,425	4,337	2,088
Capital Outlay	1,500	1,500	1,500	0
Total County Microfilming	<u>32,805</u>	<u>32,805</u>	<u>30,502</u>	<u>2,303</u>
Safe/Loss:				
Personal Services	52,950	51,658	49,617	2,041
Materials and Supplies	1,900	1,900	1,784	116
Contractual Services	950	950	264	686
Other Expenditures	920	2,420	1,488	932
Total Safe/Loss	<u>56,720</u>	<u>56,928</u>	<u>53,153</u>	<u>3,775</u>
Regional Planning Commission:				
Contractual Services	<u>58,398</u>	<u>58,398</u>	<u>58,398</u>	<u>0</u>
Total Regional Planning Commission	<u>58,398</u>	<u>58,398</u>	<u>58,398</u>	<u>0</u>
Auditor:				
Personal Services	190,745	190,780	185,942	4,838
Materials and Supplies	15,297	15,263	13,170	2,093
Contractual Services	38,090	40,385	40,221	164
Other Expenditures	6,300	4,005	3,079	926
Total Auditor	<u>250,432</u>	<u>250,433</u>	<u>242,412</u>	<u>8,021</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Treasurer:				
Personal Services	159,401	158,702	158,702	0
Materials and Supplies	6,387	6,365	6,365	0
Contractual Services	11,602	6,949	6,949	0
Other Expenditures	<u>22,646</u>	<u>28,020</u>	<u>28,020</u>	<u>0</u>
Total Treasurer	200,036	200,036	200,036	0
Prosecuting Attorney:				
Personal Services	336,199	332,913	331,860	1,053
Materials and Supplies	5,000	5,830	5,372	458
Contractual Services	44,096	48,546	48,181	365
Other Expenditures	<u>6,539</u>	<u>6,045</u>	<u>5,987</u>	<u>58</u>
Total Prosecuting Attorney	391,834	393,334	391,400	1,934
Bureau of Inspection:				
Contractual Services	<u>134,859</u>	<u>134,859</u>	<u>126,860</u>	<u>7,999</u>
Total Bureau of Inspection	134,859	134,859	126,860	7,999
Data Processing Board:				
Contractual Services	<u>138,271</u>	<u>138,271</u>	<u>77,824</u>	<u>60,447</u>
Total Data Processing Board	138,271	138,271	77,824	60,447
Board of Elections:				
Personal Services	259,965	261,451	261,192	259
Materials and Supplies	11,000	10,000	9,948	52
Contractual Services	46,500	47,126	46,972	154
Other Expenditures	<u>6,000</u>	<u>7,300</u>	<u>7,286</u>	<u>14</u>
Total Board of Elections	323,465	325,877	325,398	479
Maintenance and Operation:				
Personal Services	213,450	213,450	196,842	16,608
Materials and Supplies	66,830	71,830	65,948	5,882
Contractual Services	823,503	858,503	772,437	86,066
Other Expenditures	<u>102,575</u>	<u>62,575</u>	<u>50,624</u>	<u>11,951</u>
Total Maintenance and Operation	1,206,358	1,206,358	1,085,851	120,507
Corporate Center - Maintenance and Operation:				
Personal Services	64,825	64,825	61,107	3,718
Materials and Supplies	4,900	3,005	1,601	1,404
Contractual Services	12,075	13,720	11,933	1,787
Other Expenditures	<u>950</u>	<u>1,200</u>	<u>42</u>	<u>1,158</u>
Total Corporate Center - Maintenance and Operation	82,750	82,750	74,683	8,067

(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, 2007**

	<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	82,500	98,129	97,064	1,065
Total Air Navigation and Facilities	82,500	98,129	97,064	1,065
Recorder:				
Personal Services	146,273	148,459	147,258	1,201
Materials and Supplies	6,650	4,775	4,203	572
Contractual Services	14,800	12,762	12,096	666
Other Expenditures	1,800	3,527	3,490	37
Total Recorder	169,523	169,523	167,047	2,476
Insurance, Pension and Taxes:				
Contractual Services	1,604,500	1,603,125	1,320,748	282,377
Total Insurance, Pension and Taxes	1,604,500	1,603,125	1,320,748	282,377
Agriculture:				
Contractual Services	545,748	545,748	545,748	0
Total Agriculture	545,748	545,748	545,748	0
Total General Government - Legislative and Executive	6,326,361	6,360,820	5,758,436	602,384
General Government - Judicial:				
Court of Appeals:				
Contractual Services	10,000	10,000	7,806	2,194
Total Court of Appeals	10,000	10,000	7,806	2,194
Common Pleas Court:				
Personal Services	382,983	388,507	387,137	1,370
Materials and Supplies	8,656	7,656	7,627	29
Contractual Services	16,100	14,801	14,402	399
Other Expenditures	14,385	17,923	17,809	114
Total Common Pleas Court	422,124	428,887	426,975	1,912
Jury Commission:				
Personal Services	1,500	1,500	1,500	0
Contractual Services	500	21	21	0
Total Jury Commission	2,000	1,521	1,521	0
Juvenile Court:				
Personal Services	50	0	0	0
Materials and Supplies	4,500	7,300	7,099	201
Contractual Services	7,014	3,570	3,539	31
Other Expenditures	8,100	8,300	8,266	34
Total Juvenile Court	19,664	19,170	18,904	266

(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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Juvenile Probation:				
Personal Services	384,300	371,629	371,119	510
Materials and Supplies	10,000	10,500	10,365	135
Contractual Services	286,500	309,365	308,961	404
Other Expenditures	25,000	15,000	15,000	0
Total Juvenile Probation	<u>705,800</u>	<u>706,494</u>	<u>705,445</u>	<u>1,049</u>
Probate Court:				
Personal Services	89,650	91,784	91,500	284
Materials and Supplies	5,000	5,450	5,400	50
Contractual Services	20,116	17,818	17,611	207
Other Expenditures	2,500	2,464	2,458	6
Total Probate Court	<u>117,266</u>	<u>117,516</u>	<u>116,969</u>	<u>547</u>
Clerk of Courts:				
Personal Services	251,451	250,251	241,006	9,245
Materials and Supplies	10,050	11,250	10,011	1,239
Contractual Services	12,289	12,289	9,692	2,597
Other Expenditures	2,582	2,582	1,890	692
Total Clerk of Courts	<u>276,372</u>	<u>276,372</u>	<u>262,599</u>	<u>13,773</u>
Municipal Court:				
Personal Services	92,400	92,400	89,903	2,497
Contractual Services	13,925	15,425	14,220	1,205
Total Municipal Court	<u>106,325</u>	<u>107,825</u>	<u>104,123</u>	<u>3,702</u>
Law Library:				
Personal Services	5,900	5,900	872	5,028
Other Expenditures	1,000	1,000	0	1,000
Total Law Library	<u>6,900</u>	<u>6,900</u>	<u>872</u>	<u>6,028</u>
Public Defender:				
Personal Services	298,945	300,491	289,678	10,813
Materials and Supplies	2,400	3,400	3,292	108
Contractual Services	7,595	29,475	26,441	3,034
Other Expenditures	90	90	0	90
Total Public Defender	<u>309,030</u>	<u>333,456</u>	<u>319,411</u>	<u>14,045</u>
Total General Government - Judicial	<u>1,975,481</u>	<u>2,008,141</u>	<u>1,964,625</u>	<u>43,516</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Safety:				
Sheriff:				
Personal Services	1,640,656	1,640,574	1,640,504	70
Materials and Supplies	30,099	31,899	30,235	1,664
Contractual Services	81,542	71,433	71,079	354
Other Expenditures	110,579	166,105	165,235	870
Total Sheriff	1,862,876	1,910,011	1,907,053	2,958
Jail:				
Personal Services	1,259,700	1,310,091	1,310,028	63
Materials and Supplies	23,000	9,260	9,028	232
Contractual Services	449,608	434,099	429,442	4,657
Other Expenditures	12,350	0	0	0
Total Jail	1,744,658	1,753,450	1,748,498	4,952
Coroner:				
Personal Services	32,696	32,126	31,948	178
Materials and Supplies	100	0	0	0
Contractual Services	33,100	43,895	42,687	1,208
Other Expenditures	900	900	0	900
Total Coroner	66,796	76,921	74,635	2,286
Total Public Safety	3,674,330	3,740,382	3,730,186	10,196
Public Works				
Map Department:				
Personal Services	103,340	104,715	96,129	8,586
Materials and Supplies	4,141	4,141	3,134	1,007
Total Map Department	107,481	108,856	99,263	9,593
Buildings and Grounds:				
Contractual Services	336,369	236,369	111,570	124,799
Total Buildings and Grounds	336,369	236,369	111,570	124,799
Total Public Works	443,850	345,225	210,833	134,392
Health:				
Vital Statistics:				
Other Expenditures	1,300	1,300	710	590
Total Vital Statistics	1,300	1,300	710	590

(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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Health:				
Other Expenditures	99,100	99,100	99,080	20
Total Other Health	99,100	99,100	99,080	20
Humane Society:				
Personal Services	9,950	9,950	8,216	1,734
Materials and Supplies	950	950	0	950
Contractual Services	1,850	5,200	3,642	1,558
Other Expenditures	5,149	4,799	3,675	1,124
Total Humane Society	17,899	20,899	15,533	5,366
Animal Control Officer:				
Personal Services	46,330	46,531	45,609	922
Other Expenditures	2,548	2,548	1,748	800
Total Animal Control Officer	48,878	49,079	47,357	1,722
Total Health	167,177	170,378	162,680	7,698
Human Services:				
Children's Home:				
Contractual Services	100,000	100,000	100,000	0
Total Children's Home	100,000	100,000	100,000	0
Soldiers Relief:				
Personal Services	40,415	40,495	35,716	4,779
Materials and Supplies	10,894	16,894	14,933	1,961
Contractual Services	254,125	226,445	155,063	71,382
Total Soldiers Relief	305,434	283,834	205,712	78,122
Veterans Relief:				
Personal Services	212,415	212,415	193,140	19,275
Contractual Services	18,500	21,100	14,498	6,602
Other Expenditures	5,046	5,046	4,797	249
Total Veterans Relief	235,961	238,561	212,435	26,126
Total Human Services	641,395	622,395	518,147	104,248

(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, 2007**

	<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	7,536	7,536	0	7,536
Total Bike Path	7,536	7,536	0	7,536
Total Conservation and Recreation	7,536	7,536	0	7,536
Capital Outlay	577,207	664,511	438,055	226,456
Total Expenditures	13,813,337	13,919,388	12,782,962	1,136,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,087	464,736	801,626	336,890
Other Financing Sources (Uses):				
Other Financing Uses	(262,346)	(217,488)	(110,719)	106,769
Transfers In	110,000	110,000	63,437	(46,563)
Transfers Out	(1,327,000)	(1,252,319)	(1,252,010)	309
Advances Out	0	(14,191)	0	14,191
Total Other Financing Sources (Uses)	(1,479,346)	(1,373,998)	(1,299,292)	74,706
Net Change in Fund Balance	(909,259)	(909,262)	(497,666)	411,596
Fund Balance at Beginning of Year	2,025,080	2,025,080	2,025,080	0
Prior Year Encumbrances	362,197	362,197	362,197	0
Fund Balance at End of Year	<u>\$ 1,478,018</u>	<u>\$ 1,478,015</u>	<u>\$ 1,889,611</u>	<u>\$ 411,596</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 4,800,000	\$ 5,264,400	\$ 6,148,451	\$ 884,051
All Other Revenues	220,000	220,000	692,156	472,156
Total Revenues	5,020,000	5,484,400	6,840,607	1,356,207
Expenditures:				
Human Services:				
Personal Services	2,986,166	3,111,793	3,066,828	44,965
Materials and Supplies	180,043	121,193	85,725	35,468
Contractual Services	3,129,930	3,304,930	2,800,556	504,374
Other Expenditures	852,941	558,898	415,364	143,534
Capital Outlay	118,112	691,779	675,721	16,058
Total Expenditures	7,267,192	7,788,593	7,044,194	744,399
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,247,192)	(2,304,193)	(203,587)	2,100,606
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	(400,000)	(343,000)	(305,362)	37,638
Total Other Financing Sources (Uses)	(200,000)	(143,000)	(105,362)	37,638
Net Change in Fund Balance	(2,447,192)	(2,447,193)	(308,949)	2,138,244
Fund Balance at Beginning of Year	1,593,983	1,593,983	1,593,983	0
Prior Year Encumbrances	853,992	853,992	853,992	0
Fund Balance at End of Year	\$ 783	\$ 782	\$ 2,139,026	\$ 2,138,244

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, 2007****MOTOR VEHICLE AND GASOLINE TAX FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,270,000	\$ 5,270,000	\$ 4,730,449	\$ (539,551)
Charges for Services	10,000	10,000	6,045	(3,955)
Investment Earnings	20,000	20,000	26,347	6,347
Fines and Forfeitures	12,500	12,500	9,542	(2,958)
All Other Revenues	<u>41,000</u>	<u>41,000</u>	<u>69,333</u>	<u>28,333</u>
Total Revenues	<u>5,353,500</u>	<u>5,353,500</u>	<u>4,841,716</u>	<u>(511,784)</u>
Expenditures:				
Public Works:				
Personal Services	2,080,119	2,054,684	2,052,791	1,893
Materials and Supplies	963,279	1,166,584	1,144,081	22,503
Contractual Services	1,923,169	1,916,709	1,831,503	85,206
Other Expenditures	41,964	46,072	45,790	282
Intergovernmental	65,000	65,564	65,564	0
Capital Outlay	320,614	314,689	314,689	0
Debt Service:				
Principal Retirement	<u>0</u>	<u>35,666</u>	<u>35,666</u>	<u>0</u>
Total Expenditures	<u>5,394,145</u>	<u>5,599,968</u>	<u>5,490,084</u>	<u>109,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,645)	(246,468)	(648,368)	(401,900)
Other Financing Sources (Uses):				
Ohio Public Works Commission Loans	<u>0</u>	<u>0</u>	<u>356,656</u>	<u>356,656</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>356,656</u>	<u>356,656</u>
Net Change in Fund Balance	(40,645)	(246,468)	(291,712)	(45,244)
Fund Balance at Beginning of Year	205,823	205,823	205,823	0
Prior Year Encumbrances	<u>139,796</u>	<u>139,796</u>	<u>139,796</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 304,974</u>	<u>\$ 99,151</u>	<u>\$ 53,907</u>	<u>\$ (45,244)</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHILDREN SERVICES BOARD FUND				
Revenues:				
Taxes	\$ 950,700	\$ 950,700	\$ 943,623	\$ (7,077)
Intergovernmental Revenues	921,900	921,900	1,026,528	104,628
Charges for Services	130,000	130,000	108,731	(21,269)
All Other Revenues	8,000	8,000	5,544	(2,456)
Total Revenues	<u>2,010,600</u>	<u>2,010,600</u>	<u>2,084,426</u>	<u>73,826</u>
Expenditures:				
Human Services:				
Personal Services	865,000	874,352	859,561	14,791
Materials and Supplies	27,500	10,500	4,606	5,894
Contractual Services	1,031,322	574,667	432,621	142,046
Other Expenditures	513,775	1,007,078	946,723	60,355
Capital Outlay	35,000	6,000	5,602	398
Total Expenditures	<u>2,472,597</u>	<u>2,472,597</u>	<u>2,249,113</u>	<u>223,484</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(461,997)	(461,997)	(164,687)	297,310
Fund Balance at Beginning of Year	3,348,523	3,348,523	3,348,523	0
Prior Year Encumbrances	34,097	34,097	34,097	0
Fund Balance at End of Year	<u>\$ 2,920,623</u>	<u>\$ 2,920,623</u>	<u>\$ 3,217,933</u>	<u>\$ 297,310</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MENTAL RETARDATION FUND				
Revenues:				
Taxes	\$ 1,422,160	\$ 1,422,160	\$ 1,349,808	\$ (72,352)
Intergovernmental Revenues	2,024,000	2,024,000	2,056,950	32,950
All Other Revenues	1,123,100	1,123,100	181,633	(941,467)
Total Revenues	<u>4,569,260</u>	<u>4,569,260</u>	<u>3,588,391</u>	<u>(980,869)</u>
Expenditures:				
Human Services:				
Personal Services	3,569,844	3,439,344	2,260,560	1,178,784
Materials and Supplies	90,265	105,265	57,077	48,188
Contractual Services	1,911,815	2,349,571	1,682,120	667,451
Other Expenditures	2,000	2,000	1,000	1,000
Capital Outlay	34,200	34,200	30,705	3,495
Total Expenditures	<u>5,608,124</u>	<u>5,930,380</u>	<u>4,031,462</u>	<u>1,898,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,038,864)	(1,361,120)	(443,071)	918,049
Fund Balance at Beginning of Year	1,848,656	1,848,656	1,848,656	0
Prior Year Encumbrances	45,468	45,468	45,468	0
Fund Balance at End of Year	<u>\$ 855,260</u>	<u>\$ 533,004</u>	<u>\$ 1,451,053</u>	<u>\$ 918,049</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DOG AND KENNEL FUND				
Revenues:				
Charges for Services	\$ 18,500	\$ 18,500	\$ 23,398	\$ 4,898
Licenses and Permits	128,500	128,500	130,621	2,121
Fines and Forfeitures	1,200	1,200	1,350	150
All Other Revenues	500	500	9,298	8,798
Total Revenues	<u>148,700</u>	<u>148,700</u>	<u>164,667</u>	<u>15,967</u>
Expenditures:				
Health:				
Personal Services	133,700	132,025	120,844	11,181
Materials and Supplies	9,775	28,450	28,186	264
Contractual Services	42,364	62,364	57,657	4,707
Other Expenditures	10,413	10,163	10,087	76
Capital Outlay	35,614	46,114	45,994	120
Total Expenditures	<u>231,866</u>	<u>279,116</u>	<u>262,768</u>	<u>16,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,166)	(130,416)	(98,101)	32,315
Fund Balance at Beginning of Year	183,250	183,250	183,250	0
Prior Year Encumbrances	6,166	6,166	6,166	0
Fund Balance at End of Year	<u>\$ 106,250</u>	<u>\$ 59,000</u>	<u>\$ 91,315</u>	<u>\$ 32,315</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 7,800	\$ 7,800	\$ 7,395	\$ (405)
Total Revenues	<u>7,800</u>	<u>7,800</u>	<u>7,395</u>	<u>(405)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	2,357	2,357	0	2,357
Contractual Services	10,000	10,000	9,480	520
Other Expenditures	<u>1,784</u>	<u>1,784</u>	<u>0</u>	<u>1,784</u>
Total Expenditures	<u>14,141</u>	<u>14,141</u>	<u>9,480</u>	<u>4,661</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,341)	(6,341)	(2,085)	4,256
Fund Balance at Beginning of Year	<u>6,341</u>	<u>6,341</u>	<u>6,341</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,256</u>	<u>\$ 4,256</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 450	\$ 450	\$ 428	\$ (22)
Total Revenues	<u>450</u>	<u>450</u>	<u>428</u>	<u>(22)</u>
Expenditures:				
General Government - Judicial:				
Other Expenditures	<u>809</u>	<u>809</u>	<u>0</u>	<u>809</u>
Total Expenditures	<u>809</u>	<u>809</u>	<u>0</u>	<u>809</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359)	(359)	428	787
Fund Balance at Beginning of Year	<u>359</u>	<u>359</u>	<u>359</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 787</u>	<u>\$ 787</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 30,250	\$ 30,250	\$ 30,834	\$ 584
Investment Earnings	2,100	2,100	3,193	1,093
All Other Revenues	0	0	1,106	1,106
Total Revenues	<u>32,350</u>	<u>32,350</u>	<u>35,133</u>	<u>2,783</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	1,521	1,521	625	896
Contractual Services	9,105	9,105	4,808	4,297
Other Expenditures	34,582	34,582	20,556	14,026
Capital Outlay	21,532	21,532	11,128	10,404
Total Expenditures	<u>66,740</u>	<u>66,740</u>	<u>37,117</u>	<u>29,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,390)	(34,390)	(1,984)	32,406
Fund Balance at Beginning of Year	33,808	33,808	33,808	0
Prior Year Encumbrances	582	582	582	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,406</u>	<u>\$ 32,406</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, 2007***

RECORDER'S EQUIPMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 59,000	\$ 59,000	\$ 48,176	\$ (10,824)
Total Revenues	<u>59,000</u>	<u>59,000</u>	<u>48,176</u>	<u>(10,824)</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	65,000	65,000	29,338	35,662
Other Expenditures	1,391	1,391	0	1,391
Capital Outlay	<u>25,000</u>	<u>25,000</u>	<u>20,242</u>	<u>4,758</u>
Total Expenditures	<u>91,391</u>	<u>91,391</u>	<u>49,580</u>	<u>41,811</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,391)	(32,391)	(1,404)	30,987
Fund Balance at Beginning of Year	<u>32,391</u>	<u>32,391</u>	<u>32,391</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,987</u>	<u>\$ 30,987</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 2,575	\$ 2,575	\$ 2,466	\$ (109)
Total Revenues	<u>2,575</u>	<u>2,575</u>	<u>2,466</u>	<u>(109)</u>
Expenditures:				
General Government - Judicial:				
Other Expenditures	<u>6,830</u>	<u>6,830</u>	<u>592</u>	<u>6,238</u>
Total Expenditures	<u>6,830</u>	<u>6,830</u>	<u>592</u>	<u>6,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,255)	(4,255)	1,874	6,129
Fund Balance at Beginning of Year	<u>4,255</u>	<u>4,255</u>	<u>4,255</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,129</u>	<u>\$ 6,129</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, 2007**

TIME OUT PROGRAM FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 8,000	\$ 8,000	\$ 0	\$ (8,000)
All Other Revenues	5,000	6,000	6,000	0
Total Revenues	<u>13,000</u>	<u>14,000</u>	<u>6,000</u>	<u>(8,000)</u>
Expenditures:				
Public Safety:				
Personal Services	12,965	13,965	13,886	79
Other Expenditures	71	71	0	71
Total Expenditures	<u>13,036</u>	<u>14,036</u>	<u>13,886</u>	<u>150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36)	(36)	(7,886)	(7,850)
Other Financing Sources (Uses):				
Transfers In	0	0	8,000	8,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>8,000</u>	<u>8,000</u>
Net Change in Fund Balance	(36)	(36)	114	150
Fund Balance at Beginning of Year	36	36	36	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 150</u>	<u>\$ 150</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, 2007**

COMPUTER FIREWALL FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 14,191	\$ 14,014	\$ (177)
Total Revenues	<u>0</u>	<u>14,191</u>	<u>14,014</u>	<u>(177)</u>
Expenditures:				
Public Safety:				
Contractual Services	0	3,225	3,225	0
Capital Outlay	<u>0</u>	<u>10,966</u>	<u>10,789</u>	<u>177</u>
Total Expenditures	<u>0</u>	<u>14,191</u>	<u>14,014</u>	<u>177</u>
Net Change in Fund Balance	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, 2007**

	<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:				
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 98</u>	<u>\$ 98</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 4,106	\$ 2,106
All Other Revenues	3,600	3,600	0	(3,600)
Total Revenues	<u>5,600</u>	<u>5,600</u>	<u>4,106</u>	<u>(1,494)</u>
Expenditures:				
Public Safety:				
Personal Services	23,600	23,600	14,355	9,245
Contractual Services	2,000	3,150	3,150	0
Other Expenditures	9,800	8,650	3,715	4,935
Capital Outlay	1,000	1,000	850	150
Total Expenditures	<u>36,400</u>	<u>36,400</u>	<u>22,070</u>	<u>14,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,800)	(30,800)	(17,964)	12,836
Fund Balance at Beginning of Year	<u>30,859</u>	<u>30,859</u>	<u>30,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 59</u>	<u>\$ 59</u>	<u>\$ 12,895</u>	<u>\$ 12,836</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 25,100	\$ 25,100	\$ 37	\$ (25,063)
All Other Revenues	107,100	107,100	111,542	4,442
Total Revenues	<u>132,200</u>	<u>132,200</u>	<u>111,579</u>	<u>(20,621)</u>
Expenditures:				
Public Safety:				
Personal Services	117,360	114,360	88,914	25,446
Materials and Supplies	5,500	7,000	2,212	4,788
Contractual Services	28,450	24,950	18,295	6,655
Other Expenditures	10,726	6,226	5,411	815
Capital Outlay	7,000	2,600	587	2,013
Total Expenditures	<u>169,036</u>	<u>155,136</u>	<u>115,419</u>	<u>39,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,836)	(22,936)	(3,840)	19,096
Other Financing Sources (Uses):				
Transfers In	0	0	1,219	1,219
Advances Out	0	(13,900)	(13,900)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(13,900)</u>	<u>(12,681)</u>	<u>1,219</u>
Net Change in Fund Balance	(36,836)	(36,836)	(16,521)	20,315
Fund Balance at Beginning of Year	93,937	93,937	93,937	0
Fund Balance at End of Year	<u>\$ 57,101</u>	<u>\$ 57,101</u>	<u>\$ 77,416</u>	<u>\$ 20,315</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 220,000	\$ 220,000	\$ 214,794	\$ (5,206)
All Other Revenues	100	100	15	(85)
Total Revenues	<u>220,100</u>	<u>220,100</u>	<u>214,809</u>	<u>(5,291)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	161,550	160,420	148,956	11,464
Materials and Supplies	5,100	5,100	4,723	377
Contractual Services	6,926	6,926	6,311	615
Other Expenditures	1,315	2,445	2,290	155
Capital Outlay	1,000	1,000	189	811
Total Expenditures	<u>175,891</u>	<u>175,891</u>	<u>162,469</u>	<u>13,422</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,209	44,209	52,340	8,131
Other Financing Sources (Uses):				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>	<u>50,000</u>
Net Change in Fund Balance	(55,791)	(55,791)	2,340	58,131
Fund Balance at Beginning of Year	71,446	71,446	71,446	0
Prior Year Encumbrances	416	416	416	0
Fund Balance at End of Year	<u>\$ 16,071</u>	<u>\$ 16,071</u>	<u>\$ 74,202</u>	<u>\$ 58,131</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 108,000	\$ 108,000	\$ 95,556	\$ (12,444)
Special Assessments	2,800	2,800	3,360	560
All Other Revenues	8,100	8,100	8,644	544
Total Revenues	<u>118,900</u>	<u>118,900</u>	<u>107,560</u>	<u>(11,340)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	74,101	74,744	65,766	8,978
Materials and Supplies	1,000	1,000	0	1,000
Contractual Services	37,678	202,283	146,921	55,362
Other Expenditures	17,614	19,519	14,857	4,662
Capital Outlay	2,650	2,001	2,000	1
Total Expenditures	<u>133,043</u>	<u>299,547</u>	<u>229,544</u>	<u>70,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,143)	(180,647)	(121,984)	58,663
Fund Balance at Beginning of Year	360,778	360,778	360,778	0
Prior Year Encumbrances	4,357	4,357	4,357	0
Fund Balance at End of Year	<u>\$ 350,992</u>	<u>\$ 184,488</u>	<u>\$ 243,151</u>	<u>\$ 58,663</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, 2007**

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	\$ 30,857	\$ 30,857	\$ 30,857	\$ 0
Total Revenues	<u>30,857</u>	<u>30,857</u>	<u>30,857</u>	<u>0</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	35,490	35,756	35,756	0
Materials and Supplies	1,655	1,918	1,818	100
Contractual Services	1,713	2,412	1,241	1,171
Other Expenditures	1,434	2,641	1,455	1,186
Total Expenditures	<u>40,292</u>	<u>42,727</u>	<u>40,270</u>	<u>2,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,435)	(11,870)	(9,413)	2,457
Other Financing Sources (Uses):				
Transfers In	9,351	9,351	0	(9,351)
Total Other Financing Sources (Uses)	<u>9,351</u>	<u>9,351</u>	<u>0</u>	<u>(9,351)</u>
Net Change in Fund Balance	(84)	(2,519)	(9,413)	(6,894)
Fund Balance at Beginning of Year	12,988	12,988	12,988	0
Prior Year Encumbrances	85	85	85	0
Fund Balance at End of Year	<u>\$ 12,989</u>	<u>\$ 10,554</u>	<u>\$ 3,660</u>	<u>\$ (6,894)</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, 2007*****MARINE PATROL GRANT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 18,500	\$ 18,500	\$ 18,036	\$ (464)
All Other Revenues	10	10	0	(10)
Total Revenues	<u>18,510</u>	<u>18,510</u>	<u>18,036</u>	<u>(474)</u>
Expenditures:				
Public Safety:				
Personal Services	19,000	19,000	15,457	3,543
Materials and Supplies	700	700	421	279
Other Expenditures	1,700	1,700	1,390	310
Capital Outlay	600	600	0	600
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>17,268</u>	<u>4,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,490)	(3,490)	768	4,258
Fund Balance at Beginning of Year	<u>3,577</u>	<u>3,577</u>	<u>3,577</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 4,345</u>	<u>\$ 4,258</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, 2007***

DRUG ABUSE RESISTANCE EDUCATION GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 26,208	\$ 26,208	\$ 26,208	\$ 0
All Other Revenues	15,010	15,010	5,636	(9,374)
Total Revenues	<u>41,218</u>	<u>41,218</u>	<u>31,844</u>	<u>(9,374)</u>
Expenditures:				
Public Safety:				
Personal Services	35,300	35,300	35,281	19
Materials and Supplies	<u>3,000</u>	<u>15,000</u>	<u>4,908</u>	<u>10,092</u>
Total Expenditures	<u>38,300</u>	<u>50,300</u>	<u>40,189</u>	<u>10,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,918	(9,082)	(8,345)	737
Fund Balance at Beginning of Year	<u>13,660</u>	<u>13,660</u>	<u>13,660</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,578</u>	<u>\$ 4,578</u>	<u>\$ 5,315</u>	<u>\$ 737</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, 2007****COMMON PLEAS JAIL DIVERSION GRANT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 51,200	\$ 51,200	\$ 51,104	\$ (96)
All Other Revenues	50	50	0	(50)
Total Revenues	<u>51,250</u>	<u>51,250</u>	<u>51,104</u>	<u>(146)</u>
Expenditures:				
Public Safety:				
Personal Services	49,844	50,204	48,564	1,640
Materials and Supplies	149	1,459	1,026	433
Contractual Services	1,670	0	0	0
Capital Outlay	709	709	676	33
Total Expenditures	<u>52,372</u>	<u>52,372</u>	<u>50,266</u>	<u>2,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,122)	(1,122)	838	1,960
Fund Balance at Beginning of Year	4,288	4,288	4,288	0
Prior Year Encumbrances	358	358	358	0
Fund Balance at End of Year	<u>\$ 3,524</u>	<u>\$ 3,524</u>	<u>\$ 5,484</u>	<u>\$ 1,960</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 157,500	\$ 157,500	\$ 49,983	\$ (107,517)
Total Revenues	<u>157,500</u>	<u>157,500</u>	<u>49,983</u>	<u>(107,517)</u>
Expenditures:				
Public Safety:				
Personal Services	32,221	32,221	30,664	1,557
Contractual Services	11,266	11,266	10,848	418
Total Expenditures	<u>43,487</u>	<u>43,487</u>	<u>41,512</u>	<u>1,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	114,013	114,013	8,471	(105,542)
Other Financing Sources (Uses):				
Transfers Out	(16)	(1,219)	(1,219)	0
Advances In	0	0	13,900	13,900
Advances Out	(1,203)	0	0	0
Total Other Financing Sources (Uses)	<u>(1,219)</u>	<u>(1,219)</u>	<u>12,681</u>	<u>13,900</u>
Net Change in Fund Balance	112,794	112,794	21,152	(91,642)
Fund Balance at Beginning of Year	2,880	2,880	2,880	0
Fund Balance at End of Year	<u>\$ 115,674</u>	<u>\$ 115,674</u>	<u>\$ 24,032</u>	<u>\$ (91,642)</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY CALLING SYSTEM FUND				
Revenues:				
Taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,344,214	\$ (55,786)
Intergovernmental Revenues	140,000	140,000	131,140	(8,860)
All Other Revenues	500	500	239	(261)
Total Revenues	<u>1,540,500</u>	<u>1,540,500</u>	<u>1,475,593</u>	<u>(64,907)</u>
Expenditures:				
Public Safety:				
Personal Services	2,001,000	2,001,000	1,188,129	812,871
Materials and Supplies	28,277	28,277	6,906	21,371
Contractual Services	100,990	100,990	40,135	60,855
Other Expenditures	70,853	70,853	14,806	56,047
Capital Outlay	439,682	439,682	132,480	307,202
Total Expenditures	<u>2,640,802</u>	<u>2,640,802</u>	<u>1,382,456</u>	<u>1,258,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,100,302)	(1,100,302)	93,137	1,193,439
Fund Balance at Beginning of Year	1,582,916	1,582,916	1,582,916	0
Prior Year Encumbrances	7,802	7,802	7,802	0
Fund Balance at End of Year	<u>\$ 490,416</u>	<u>\$ 490,416</u>	<u>\$ 1,683,855</u>	<u>\$ 1,193,439</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
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	<u>17,045</u>	<u>17,045</u>	<u>17,045</u>	<u>0</u>
Total Expenditures	<u>17,045</u>	<u>17,045</u>	<u>17,045</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 Special Revenue Funds
For the Year Ended December 31, 2007***

LITTER CONTROL AND RECYCLING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 50,000	\$ 50,000	\$ 33,769	\$ (16,231)
All Other Revenues	<u>0</u>	<u>0</u>	<u>878</u>	<u>878</u>
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>34,647</u>	<u>(15,353)</u>
Expenditures:				
Health:				
Personal Services	13,655	13,677	13,392	285
Materials and Supplies	8,855	7,308	7,056	252
Contractual Services	8,350	10,025	5,436	4,589
Other Expenditures	1,000	2,800	2,623	177
Capital Outlay	<u>13,100</u>	<u>11,150</u>	<u>11,102</u>	<u>48</u>
Total Expenditures	<u>44,960</u>	<u>44,960</u>	<u>39,609</u>	<u>5,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,040	5,040	(4,962)	(10,002)
Fund Balance at Beginning of Year	15,885	15,885	15,885	0
Prior Year Encumbrances	<u>5,075</u>	<u>5,075</u>	<u>5,075</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 15,998</u>	<u>\$ (10,002)</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, 2007*****CHILD SUPPORT ENFORCEMENT AGENCY FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 420,000	\$ 351,048	\$ 546,085	\$ 195,037
Charges for Services	175,000	175,000	120,696	(54,304)
All Other Revenues	25,000	25,000	45,921	20,921
Total Revenues	<u>620,000</u>	<u>551,048</u>	<u>712,702</u>	<u>161,654</u>
Expenditures:				
Human Services:				
Personal Services	543,282	552,139	548,872	3,267
Materials and Supplies	2,319	2,319	928	1,391
Contractual Services	150,189	94,889	94,641	248
Other Expenditures	75,000	55,430	9,505	45,925
Capital Outlay	5,600	16,600	13,700	2,900
Total Expenditures	<u>776,390</u>	<u>721,377</u>	<u>667,646</u>	<u>53,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(156,390)	(170,329)	45,056	215,385
Fund Balance at Beginning of Year	120,940	120,940	120,940	0
Prior Year Encumbrances	49,390	49,390	49,390	0
Fund Balance at End of Year	<u>\$ 13,940</u>	<u>\$ 1</u>	<u>\$ 215,386</u>	<u>\$ 215,385</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 515,700	\$ 515,700	\$ 514,992	\$ (708)
Total Revenues	<u>515,700</u>	<u>515,700</u>	<u>514,992</u>	<u>(708)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	241,800	253,796	245,367	8,429
Materials and Supplies	15,981	15,060	8,126	6,934
Contractual Services	1,114,806	1,106,906	864,570	242,336
Other Expenditures	5,346	3,271	1,622	1,649
Capital Outlay	<u>40,000</u>	<u>38,900</u>	<u>35,227</u>	<u>3,673</u>
Total Expenditures	<u>1,417,933</u>	<u>1,417,933</u>	<u>1,154,912</u>	<u>263,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(902,233)	(902,233)	(639,920)	262,313
Fund Balance at Beginning of Year	748,949	748,949	748,949	0
Prior Year Encumbrances	<u>227,133</u>	<u>227,133</u>	<u>227,133</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 73,849</u>	<u>\$ 73,849</u>	<u>\$ 336,162</u>	<u>\$ 262,313</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 180,000	\$ 530,926	\$ 294,370	\$ (236,556)
All Other Revenues	50	50	0	(50)
Total Revenues	<u>180,050</u>	<u>530,976</u>	<u>294,370</u>	<u>(236,606)</u>
Expenditures:				
Public Safety:				
Personal Services	179,410	413,358	192,248	221,110
Materials and Supplies	2,352	2,722	2,269	453
Contractual Services	11,158	128,996	12,851	116,145
Other Expenditures	71,047	71,047	0	71,047
Capital Outlay	2,148	2,326	1,600	726
Total Expenditures	<u>266,115</u>	<u>618,449</u>	<u>208,968</u>	<u>409,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,065)	(87,473)	85,402	172,875
Fund Balance at Beginning of Year	134,459	134,459	134,459	0
Fund Balance at End of Year	<u>\$ 48,394</u>	<u>\$ 46,986</u>	<u>\$ 219,861</u>	<u>\$ 172,875</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, 2007**

DITCH MAINTENANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 8,900	\$ 11,900	\$ 9,350	\$ (2,550)
Total Revenues	<u>8,900</u>	<u>11,900</u>	<u>9,350</u>	<u>(2,550)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	24,000	27,000	2,704	24,296
Other Expenditures	<u>80</u>	<u>80</u>	<u>0</u>	<u>80</u>
Total Expenditures	<u>24,080</u>	<u>27,080</u>	<u>2,704</u>	<u>24,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,180)	(15,180)	6,646	21,826
Fund Balance at Beginning of Year	<u>15,716</u>	<u>15,716</u>	<u>15,716</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 536</u>	<u>\$ 536</u>	<u>\$ 22,362</u>	<u>\$ 21,826</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, 2007***

	<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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 500</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, 2007***

EMERGENCY MANAGEMENT AGENCY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 205,700	\$ 205,700	\$ 39,461	\$ (166,239)
All Other Revenues	1,000	1,000	3,421	2,421
Total Revenues	<u>206,700</u>	<u>206,700</u>	<u>42,882</u>	<u>(163,818)</u>
Expenditures:				
Public Safety:				
Personal Services	73,215	73,215	58,256	14,959
Materials and Supplies	1,919	1,919	1,532	387
Contractual Services	5,400	5,400	1,459	3,941
Other Expenditures	28,410	30,331	16,663	13,668
Capital Outlay	144,500	144,500	12,082	132,418
Total Expenditures	<u>253,444</u>	<u>255,365</u>	<u>89,992</u>	<u>165,373</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,744)	(48,665)	(47,110)	1,555
Other Financing Sources (Uses):				
Transfers In	40,000	40,000	30,000	(10,000)
Transfers Out	(11,000)	(11,000)	0	11,000
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	(17,744)	(19,665)	(17,110)	2,555
Fund Balance at Beginning of Year	117,144	117,144	117,144	0
Prior Year Encumbrances	2,409	2,409	2,409	0
Fund Balance at End of Year	<u>\$ 101,809</u>	<u>\$ 99,888</u>	<u>\$ 102,443</u>	<u>\$ 2,555</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 32,750	\$ 32,750	\$ 32,853	\$ 103
Total Revenues	<u>32,750</u>	<u>32,750</u>	<u>32,853</u>	<u>103</u>
Expenditures:				
Human Services:				
Other Expenditures	<u>36,081</u>	<u>36,081</u>	<u>33,176</u>	<u>2,905</u>
Total Expenditures	<u>36,081</u>	<u>36,081</u>	<u>33,176</u>	<u>2,905</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,331)	(3,331)	(323)	3,008
Fund Balance at Beginning of Year	12,569	12,569	12,569	0
Prior Year Encumbrances	<u>831</u>	<u>831</u>	<u>831</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,069</u>	<u>\$ 10,069</u>	<u>\$ 13,077</u>	<u>\$ 3,008</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, 2007***

	HOME FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 238,000	\$ 322,150	\$ 146,186	\$ (175,964)
Total Revenues	<u>238,000</u>	<u>322,150</u>	<u>146,186</u>	<u>(175,964)</u>
Expenditures:				
Human Services:				
Capital Outlay	<u>244,709</u>	<u>329,759</u>	<u>116,442</u>	<u>213,317</u>
Total Expenditures	<u>244,709</u>	<u>329,759</u>	<u>116,442</u>	<u>213,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,709)	(7,609)	29,744	37,353
Fund Balance at Beginning of Year	2,900	2,900	2,900	0
Prior Year Encumbrances	<u>4,709</u>	<u>4,709</u>	<u>4,709</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 900</u>	<u>\$ 0</u>	<u>\$ 37,353</u>	<u>\$ 37,353</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 14,800	\$ 15,679	\$ 15,679	\$ 0
Total Revenues	<u>14,800</u>	<u>15,679</u>	<u>15,679</u>	<u>0</u>
Expenditures:				
Health:				
Contractual Services	<u>22,599</u>	<u>23,478</u>	<u>23,478</u>	<u>0</u>
Total Expenditures	<u>22,599</u>	<u>23,478</u>	<u>23,478</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,799)	(7,799)	(7,799)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>7,799</u>	<u>7,799</u>	<u>7,799</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, 2007**

	<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:				
General Government - Legislative and Executive:				
Capital Outlay	<u> 2,209</u>	<u> 2,209</u>	<u> 2,209</u>	<u> 0</u>
Total Expenditures	<u> 2,209</u>	<u> 2,209</u>	<u> 2,209</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,209)	(2,209)	(2,209)	0
Fund Balance at Beginning of Year	<u> 2,209</u>	<u> 2,209</u>	<u> 2,209</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 35,500	\$ 35,500	\$ 24,155	\$ (11,345)
All Other Revenues	10	10	0	(10)
Total Revenues	<u>35,510</u>	<u>35,510</u>	<u>24,155</u>	<u>(11,355)</u>
Expenditures:				
Public Works:				
Personal Services	0	14,200	10,902	3,298
Contractual Services	10,000	10,000	0	10,000
Other Expenditures	6,545	6,545	3,293	3,252
Total Expenditures	<u>16,545</u>	<u>30,745</u>	<u>14,195</u>	<u>16,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,965	4,765	9,960	5,195
Other Financing Sources (Uses):				
Transfers Out	(37,007)	(22,807)	(13,437)	9,370
Total Other Financing Sources (Uses)	<u>(37,007)</u>	<u>(22,807)</u>	<u>(13,437)</u>	<u>9,370</u>
Net Change in Fund Balance	(18,042)	(18,042)	(3,477)	14,565
Fund Balance at Beginning of Year	18,042	18,042	18,042	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,565</u>	<u>\$ 14,565</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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 18,500	\$ 18,500	\$ 15,550	\$ (2,950)
Licenses and Permits	4,000	4,000	4,499	499
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>20,049</u>	<u>(2,451)</u>
Expenditures:				
Public Safety:				
Contractual Services	33,500	33,500	16,805	16,695
Capital Outlay	4,832	4,832	0	4,832
Total Expenditures	<u>38,332</u>	<u>38,332</u>	<u>16,805</u>	<u>21,527</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,832)	(15,832)	3,244	19,076
Fund Balance at Beginning of Year	11,532	11,532	11,532	0
Prior Year Encumbrances	4,300	4,300	4,300	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,076</u>	<u>\$ 19,076</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, 2007***

WIA PROGRAMS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 425,000	\$ 425,000	\$ 456,620	\$ 31,620
Total Revenues	<u>425,000</u>	<u>425,000</u>	<u>456,620</u>	<u>31,620</u>
Expenditures:				
Human Services:				
Personal Services	5,000	5,000	0	5,000
Contractual Services	479,742	503,387	417,442	85,945
Capital Outlay	<u>30,000</u>	<u>6,355</u>	<u>0</u>	<u>6,355</u>
Total Expenditures	<u>514,742</u>	<u>514,742</u>	<u>417,442</u>	<u>97,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,742)	(89,742)	39,178	128,920
Fund Balance at Beginning of Year	<u>89,742</u>	<u>89,742</u>	<u>89,742</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 128,920</u>	<u>\$ 128,920</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, 2007**

FLOOD ASSISTANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 240,468	\$ 0	\$ (240,468)
Total Revenues	<u>0</u>	<u>240,468</u>	<u>0</u>	<u>(240,468)</u>
Expenditures:				
Public Works:				
Contractual Services	<u>191</u>	<u>191</u>	<u>0</u>	<u>191</u>
Total Expenditures	<u>191</u>	<u>191</u>	<u>0</u>	<u>191</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(191)	240,277	0	(240,277)
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(240,468)</u>	<u>0</u>	<u>240,468</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(240,468)</u>	<u>0</u>	<u>240,468</u>
Net Change in Fund Balance	(191)	(191)	0	191
Fund Balance at Beginning of Year	<u>191</u>	<u>191</u>	<u>191</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 7,200	\$ 8,500	\$ 7,313	\$ (1,187)
All Other Revenues	0	7,200	4,410	(2,790)
Total Revenues	<u>7,200</u>	<u>15,700</u>	<u>11,723</u>	<u>(3,977)</u>
Expenditures:				
Public Safety:				
Personal Services	2,800	2,800	2,775	25
Contractual Services	0	2,250	2,096	154
Capital Outlay	4,419	4,419	4,029	390
Total Expenditures	<u>7,219</u>	<u>9,469</u>	<u>8,900</u>	<u>569</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19)	6,231	2,823	(3,408)
Fund Balance at Beginning of Year	19	19	19	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 6,250</u>	<u>\$ 2,842</u>	<u>\$ (3,408)</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 10,000	\$ 10,000	\$ 12,814	\$ 2,814
All Other Revenues	<u>0</u>	<u>0</u>	<u>130</u>	<u>130</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>12,944</u>	<u>2,944</u>
Expenditures:				
General Government - Judicial:				
Personal Services	2,035	485	418	67
Other Expenditures	5,000	6,050	5,776	274
Capital Outlay	<u>2,200</u>	<u>2,700</u>	<u>2,686</u>	<u>14</u>
Total Expenditures	<u>9,235</u>	<u>9,235</u>	<u>8,880</u>	<u>355</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	765	765	4,064	3,299
Fund Balance at Beginning of Year	<u>5,303</u>	<u>5,303</u>	<u>5,303</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,068</u>	<u>\$ 6,068</u>	<u>\$ 9,367</u>	<u>\$ 3,299</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, 2007***

PARENTING SEMINAR FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 6,200	\$ 6,200	\$ 6,420	\$ 220
Total Revenues	<u>6,200</u>	<u>6,200</u>	<u>6,420</u>	<u>220</u>
Expenditures:				
General Government - Judicial:				
Personal Services	4,726	5,818	5,130	688
Materials and Supplies	1,490	898	663	235
Other Expenditures	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>6,716</u>	<u>6,716</u>	<u>5,793</u>	<u>923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(516)	(516)	627	1,143
Fund Balance at Beginning of Year	<u>516</u>	<u>516</u>	<u>516</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,143</u>	<u>\$ 1,143</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 600	\$ 600	\$ 200	\$ (400)
Total Revenues	<u>600</u>	<u>600</u>	<u>200</u>	<u>(400)</u>
Expenditures:				
Public Safety:				
Materials and Supplies	500	500	0	500
Capital Outlay	632	632	0	632
Total Expenditures	<u>1,132</u>	<u>1,132</u>	<u>0</u>	<u>1,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(532)	(532)	200	732
Fund Balance at Beginning of Year	<u>532</u>	<u>532</u>	<u>532</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 732</u>	<u>\$ 732</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 8,025	\$ 8,025	\$ 6,722	\$ (1,303)
Total Revenues	<u>8,025</u>	<u>8,025</u>	<u>6,722</u>	<u>(1,303)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	<u>17,664</u>	<u>17,665</u>	<u>16,620</u>	<u>1,045</u>
Total Expenditures	<u>17,664</u>	<u>17,665</u>	<u>16,620</u>	<u>1,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,639)	(9,640)	(9,898)	(258)
Other Financing Sources (Uses):				
Transfers In	<u>3,400</u>	<u>3,400</u>	<u>0</u>	<u>(3,400)</u>
Total Other Financing Sources (Uses)	<u>3,400</u>	<u>3,400</u>	<u>0</u>	<u>(3,400)</u>
Net Change in Fund Balance	(6,239)	(6,240)	(9,898)	(3,658)
Fund Balance at Beginning of Year	<u>10,213</u>	<u>10,213</u>	<u>10,213</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,974</u>	<u>\$ 3,973</u>	<u>\$ 315</u>	<u>\$ (3,658)</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 610,400	\$ 989,700	\$ 969,958	\$ (19,742)
Intergovernmental Revenues	100,800	135,336	155,078	19,742
Total Revenues	<u>711,200</u>	<u>1,125,036</u>	<u>1,125,036</u>	<u>0</u>
Expenditures:				
Intergovernmental:				
Contractual Services	711,200	1,125,036	1,125,036	0
Total Expenditures	<u>711,200</u>	<u>1,125,036</u>	<u>1,125,036</u>	<u>0</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 802,000	\$ 821,347	\$ 821,347	\$ 0
Intergovernmental Revenues	<u>122,700</u>	<u>135,441</u>	<u>135,441</u>	<u>0</u>
Total Revenues	<u>924,700</u>	<u>956,788</u>	<u>956,788</u>	<u>0</u>
Expenditures:				
Intergovernmental:				
Contractual Services	916,700	956,788	956,788	0
Other Expenditures	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>924,700</u>	<u>956,788</u>	<u>956,788</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 Debt Service Funds
For the Year Ended December 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Revenues:				
Special Assessments	\$ 15,000	\$ 15,000	\$ 12,517	\$ (2,483)
All Other Revenues	796,648	796,648	216,424	(580,224)
Total Revenues	<u>811,648</u>	<u>811,648</u>	<u>228,941</u>	<u>(582,707)</u>
Expenditures:				
Debt Service:				
Principal Retirement	526,875	550,000	550,000	0
Interest and Fiscal Charges	564,973	541,848	494,590	47,258
Total Expenditures	<u>1,091,848</u>	<u>1,091,848</u>	<u>1,044,590</u>	<u>47,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(280,200)	(280,200)	(815,649)	(535,449)
Other Financing Sources (Uses):				
Transfers In	305,362	305,362	819,372	514,010
Total Other Financing Sources (Uses)	<u>305,362</u>	<u>305,362</u>	<u>819,372</u>	<u>514,010</u>
Net Change in Fund Balance	25,162	25,162	3,723	(21,439)
Fund Balance at Beginning of Year	576,611	576,611	576,611	0
Fund Balance at End of Year	<u>\$ 601,773</u>	<u>\$ 601,773</u>	<u>\$ 580,334</u>	<u>\$ (21,439)</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, 2007***

OHIO WATER DEVELOPMENT AUTHORITY 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:				
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>\$ 180</u>	<u>\$ 180</u>	<u>\$ 180</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 141,378	\$ 141,378
Total Revenues	<u>0</u>	<u>0</u>	<u>141,378</u>	<u>141,378</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>761,647</u>	<u>761,647</u>	<u>456,595</u>	<u>305,052</u>
Total Expenditures	<u>761,647</u>	<u>761,647</u>	<u>456,595</u>	<u>305,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(761,647)	(761,647)	(315,217)	446,430
Other Financing Sources (Uses):				
Transfers In	<u>400,000</u>	<u>400,000</u>	<u>500,000</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>500,000</u>	<u>100,000</u>
Net Change in Fund Balance	(361,647)	(361,647)	184,783	546,430
Fund Balance at Beginning of Year	359,434	359,434	359,434	0
Prior Year Encumbrances	<u>2,213</u>	<u>2,213</u>	<u>2,213</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 546,430</u>	<u>\$ 546,430</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 1,200	\$ 1,200	\$ 1,252	\$ 52
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>1,252</u>	<u>52</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>1,900</u>	<u>1,900</u>	<u>1,328</u>	<u>572</u>
Total Expenditures	<u>1,900</u>	<u>1,900</u>	<u>1,328</u>	<u>572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(700)	(700)	(76)	624
Fund Balance at Beginning of Year	<u>791</u>	<u>791</u>	<u>791</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 715</u>	<u>\$ 624</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 703,000	\$ 829,996	\$ 389,987	\$ (440,009)
Investment Earnings	100	100	508	408
Total Revenues	<u>703,100</u>	<u>830,096</u>	<u>390,495</u>	<u>(439,601)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>717,730</u>	<u>844,683</u>	<u>347,985</u>	<u>496,698</u>
Total Expenditures	<u>717,730</u>	<u>844,683</u>	<u>347,985</u>	<u>496,698</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,630)	(14,587)	42,510	57,097
Fund Balance at Beginning of Year	12,773	12,773	12,773	0
Prior Year Encumbrances	<u>3,371</u>	<u>3,371</u>	<u>3,371</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,514</u>	<u>\$ 1,557</u>	<u>\$ 58,654</u>	<u>\$ 57,097</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, 2007**

	<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:				
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	<u>(6,794)</u>	<u>(6,794)</u>	<u> 0</u>	<u> 6,794</u>
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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,794</u></u>	<u><u>\$ 6,794</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, 2007**

ENGINEERING PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 400,000	\$ 700,000	\$ 502,816	\$ (197,184)
Total Revenues	<u>400,000</u>	<u>700,000</u>	<u>502,816</u>	<u>(197,184)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>400,000</u>	<u>671,600</u>	<u>502,816</u>	<u>168,784</u>
Total Expenditures	<u>400,000</u>	<u>671,600</u>	<u>502,816</u>	<u>168,784</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	28,400	0	(28,400)
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>\$ 28,400</u>	<u>\$ 0</u>	<u>\$ (28,400)</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, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 1,385</u>	<u>\$ (18,615)</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>1,385</u>	<u>(18,615)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,385	1,385
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>\$ 1,385</u>	<u>\$ 1,385</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.

Public Defender Indigent Fund

The fund was established for the collection of fees to be remitted to the Ohio Public Defender's Office.

(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, 2007***

	<u>Undivided Personal Property Tax</u>	<u>Undivided Real Estate Tax</u>	<u>All Other Agency</u>	<u>Totals</u>
Assets:				
Cash and Cash Equivalents	\$200,891	\$2,248,908	\$1,918,056	\$4,367,855
Cash and Cash Equivalents in Segregated Accounts	0	0	368,520	368,520
Receivables:				
Taxes	4,049,264	46,975,092	0	51,024,356
Accounts	0	0	8,852	8,852
Special Assessments	0	20,734	0	20,734
Intergovernmental	0	0	3,352,129	3,352,129
Total Assets	<u>\$4,250,155</u>	<u>\$49,244,734</u>	<u>\$5,647,557</u>	<u>\$59,142,446</u>
Liabilities:				
Intergovernmental Payable	\$4,250,155	\$49,244,734	\$4,058,097	\$57,552,986
Undistributed Monies	0	0	366,940	366,940
Due to Others	0	0	1,222,520	1,222,520
Total Liabilities	<u>\$4,250,155</u>	<u>\$49,244,734</u>	<u>\$5,647,557</u>	<u>\$59,142,446</u>

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>District Board of Health</u>				
Assets:				
Cash and Cash Equivalents	\$ 990,015	\$ 3,108,884	\$ (3,358,655)	\$ 740,244
Total Assets	<u>\$ 990,015</u>	<u>\$ 3,108,884</u>	<u>\$ (3,358,655)</u>	<u>\$ 740,244</u>
Liabilities:				
Due to Others	\$ 990,015	\$ 3,108,884	\$ (3,358,655)	\$ 740,244
Total Liabilities	<u>\$ 990,015</u>	<u>\$ 3,108,884</u>	<u>\$ (3,358,655)</u>	<u>\$ 740,244</u>
<u>Soil and Water Conservation</u>				
Assets:				
Cash and Cash Equivalents	\$ 123,755	\$ 350,001	\$ (295,427)	\$ 178,329
Total Assets	<u>\$ 123,755</u>	<u>\$ 350,001</u>	<u>\$ (295,427)</u>	<u>\$ 178,329</u>
Liabilities:				
Due to Others	\$ 123,755	\$ 350,001	\$ (295,427)	\$ 178,329
Total Liabilities	<u>\$ 123,755</u>	<u>\$ 350,001</u>	<u>\$ (295,427)</u>	<u>\$ 178,329</u>
<u>Corporation</u>				
Assets:				
Cash and Cash Equivalents	\$ 73,687	\$ 888,998	\$ (873,134)	\$ 89,551
Intergovernmental Receivable	186,889	190,544	(186,889)	190,544
Total Assets	<u>\$ 260,576</u>	<u>\$ 1,079,542</u>	<u>\$ (1,060,023)</u>	<u>\$ 280,095</u>
Liabilities:				
Intergovernmental Payable	\$ 260,576	\$ 1,079,542	\$ (1,060,023)	\$ 280,095
Total Liabilities	<u>\$ 260,576</u>	<u>\$ 1,079,542</u>	<u>\$ (1,060,023)</u>	<u>\$ 280,095</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, 2007**

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 15,896	\$ (15,896)	\$ 0
Intergovernmental Receivable	1,905	1,644	(1,905)	1,644
Total Assets	<u>\$ 1,905</u>	<u>\$ 17,540</u>	<u>\$ (17,801)</u>	<u>\$ 1,644</u>
Liabilities:				
Intergovernmental Payable	\$ 1,905	\$ 17,540	\$ (17,801)	\$ 1,644
Total Liabilities	<u>\$ 1,905</u>	<u>\$ 17,540</u>	<u>\$ (17,801)</u>	<u>\$ 1,644</u>
<u>Library Support</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 1,893,770	\$ (1,893,770)	\$ 0
Intergovernmental Receivable	850,190	854,916	(850,190)	854,916
Total Assets	<u>\$ 850,190</u>	<u>\$ 2,748,686</u>	<u>\$ (2,743,960)</u>	<u>\$ 854,916</u>
Liabilities:				
Intergovernmental Payable	\$ 850,190	\$ 2,748,686	\$ (2,743,960)	\$ 854,916
Total Liabilities	<u>\$ 850,190</u>	<u>\$ 2,748,686</u>	<u>\$ (2,743,960)</u>	<u>\$ 854,916</u>
<u>Lodging Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 132,050	\$ (132,050)	\$ 0
Accounts Receivable	7,075	8,852	(7,075)	8,852
Total Assets	<u>\$ 7,075</u>	<u>\$ 140,902</u>	<u>\$ (139,125)</u>	<u>\$ 8,852</u>
Liabilities:				
Due to Others	\$ 7,075	\$ 140,902	\$ (139,125)	\$ 8,852
Total Liabilities	<u>\$ 7,075</u>	<u>\$ 140,902</u>	<u>\$ (139,125)</u>	<u>\$ 8,852</u>
<u>Cigarette Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 2,007	\$ (1,668)	\$ 339
Total Assets	<u>\$ 0</u>	<u>\$ 2,007</u>	<u>\$ (1,668)</u>	<u>\$ 339</u>
Liabilities:				
Intergovernmental Payable	\$ 0	\$ 2,007	\$ (1,668)	\$ 339
Total Liabilities	<u>\$ 0</u>	<u>\$ 2,007</u>	<u>\$ (1,668)</u>	<u>\$ 339</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007***

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Manufactured Home Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 19,551	\$ 214,414	\$ (208,066)	\$ 25,899
Total Assets	<u>\$ 19,551</u>	<u>\$ 214,414</u>	<u>\$ (208,066)</u>	<u>\$ 25,899</u>
Liabilities:				
Intergovernmental Payable	\$ 19,551	\$ 214,414	\$ (208,066)	\$ 25,899
Total Liabilities	<u>\$ 19,551</u>	<u>\$ 214,414</u>	<u>\$ (208,066)</u>	<u>\$ 25,899</u>
<u>County Court Agency</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 347,222	\$ 8,285,388	\$ (8,265,665)	\$ 366,945
Total Assets	<u>\$ 347,222</u>	<u>\$ 8,285,388</u>	<u>\$ (8,265,665)</u>	<u>\$ 366,945</u>
Liabilities:				
Intergovernmental Payable	\$ 0	\$ 6,304,697	\$ (6,304,697)	\$ 0
Undistributed Monies	347,222	366,940	(347,222)	366,940
Due to Others	0	1,613,751	(1,613,746)	5
Total Liabilities	<u>\$ 347,222</u>	<u>\$ 8,285,388</u>	<u>\$ (8,265,665)</u>	<u>\$ 366,945</u>
<u>Undivided Personal Property Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 40,764	\$ 4,626,373	\$ (4,466,246)	\$ 200,891
Receivables:				
Taxes	4,595,212	4,049,264	(4,595,212)	4,049,264
Total Assets	<u>\$ 4,635,976</u>	<u>\$ 8,675,637</u>	<u>\$ (9,061,458)</u>	<u>\$ 4,250,155</u>
Liabilities:				
Intergovernmental Payable	\$ 4,635,976	\$ 8,675,637	\$ (9,061,458)	\$ 4,250,155
Total Liabilities	<u>\$ 4,635,976</u>	<u>\$ 8,675,637</u>	<u>\$ (9,061,458)</u>	<u>\$ 4,250,155</u>
<u>Estate Tax</u>				
Assets:				
Cash and Cash Equivalents	\$ 377,639	\$ 990,872	\$ (888,677)	\$ 479,834
Total Assets	<u>\$ 377,639</u>	<u>\$ 990,872</u>	<u>\$ (888,677)</u>	<u>\$ 479,834</u>
Liabilities:				
Intergovernmental Payable	\$ 377,639	\$ 990,872	\$ (888,677)	\$ 479,834
Total Liabilities	<u>\$ 377,639</u>	<u>\$ 990,872</u>	<u>\$ (888,677)</u>	<u>\$ 479,834</u>

(Continued)

KNOX COUNTY, OHIO**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
Undivided Real Estate Tax				
Assets:				
Cash and Cash Equivalents	\$ 1,994,121	\$ 43,491,821	\$ (43,237,034)	\$ 2,248,908
Receivables:				
Taxes	48,176,730	46,975,092	(48,176,730)	46,975,092
Special Assessments	0	20,734	0	20,734
Total Assets	<u>\$ 50,170,851</u>	<u>\$ 90,487,647</u>	<u>\$ (91,413,764)</u>	<u>\$ 49,244,734</u>
Liabilities:				
Intergovernmental Payable	<u>\$ 50,170,851</u>	<u>\$ 90,487,647</u>	<u>\$ (91,413,764)</u>	<u>\$ 49,244,734</u>
Total Liabilities	<u>\$ 50,170,851</u>	<u>\$ 90,487,647</u>	<u>\$ (91,413,764)</u>	<u>\$ 49,244,734</u>
Regional Planning Commission				
Assets:				
Cash and Cash Equivalents	\$ 52,821	\$ 93,705	\$ (86,632)	\$ 59,894
Total Assets	<u>\$ 52,821</u>	<u>\$ 93,705</u>	<u>\$ (86,632)</u>	<u>\$ 59,894</u>
Liabilities:				
Due to Others	<u>\$ 52,821</u>	<u>\$ 93,705</u>	<u>\$ (86,632)</u>	<u>\$ 59,894</u>
Total Liabilities	<u>\$ 52,821</u>	<u>\$ 93,705</u>	<u>\$ (86,632)</u>	<u>\$ 59,894</u>
Workers' Compensation				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 191,757	\$ (190,709)	\$ 1,048
Intergovernmental Receivable	12,517	16,238	(12,517)	16,238
Total Assets	<u>\$ 12,517</u>	<u>\$ 207,995</u>	<u>\$ (203,226)</u>	<u>\$ 17,286</u>
Liabilities:				
Intergovernmental Payable	<u>\$ 12,517</u>	<u>\$ 207,995</u>	<u>\$ (203,226)</u>	<u>\$ 17,286</u>
Total Liabilities	<u>\$ 12,517</u>	<u>\$ 207,995</u>	<u>\$ (203,226)</u>	<u>\$ 17,286</u>
Public Defender Indigent				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 3,372	\$ (3,372)	\$ 0
Intergovernmental Receivable	\$ 0	123	0	123
Total Assets	<u>\$ 0</u>	<u>\$ 3,495</u>	<u>\$ (3,372)</u>	<u>\$ 123</u>
Liabilities:				
Intergovernmental Payable	<u>\$ 0</u>	<u>\$ 3,495</u>	<u>\$ (3,372)</u>	<u>\$ 123</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,495</u>	<u>\$ (3,372)</u>	<u>\$ 123</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Inmate</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 2,760	\$ 78,738	\$ (79,923)	\$ 1,575
Total Assets	<u>\$ 2,760</u>	<u>\$ 78,738</u>	<u>\$ (79,923)</u>	<u>\$ 1,575</u>
Liabilities:				
Due to Others	\$ 2,760	\$ 78,738	\$ (79,923)	\$ 1,575
Total Liabilities	<u>\$ 2,760</u>	<u>\$ 78,738</u>	<u>\$ (79,923)</u>	<u>\$ 1,575</u>
<u>Township</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 3,048,511	\$ (3,048,511)	\$ 0
Intergovernmental Receivable	1,203,890	1,253,806	(1,203,890)	1,253,806
Total Assets	<u>\$ 1,203,890</u>	<u>\$ 4,302,317</u>	<u>\$ (4,252,401)</u>	<u>\$ 1,253,806</u>
Liabilities:				
Intergovernmental Payable	\$ 1,203,890	\$ 4,302,317	\$ (4,252,401)	\$ 1,253,806
Total Liabilities	<u>\$ 1,203,890</u>	<u>\$ 4,302,317</u>	<u>\$ (4,252,401)</u>	<u>\$ 1,253,806</u>
<u>Payroll</u>				
Assets:				
Cash and Cash Equivalents	\$ 168,400	\$ 18,243,750	\$ (18,302,853)	\$ 109,297
Total Assets	<u>\$ 168,400</u>	<u>\$ 18,243,750</u>	<u>\$ (18,302,853)</u>	<u>\$ 109,297</u>
Liabilities:				
Intergovernmental Payable	\$ 167,959	\$ 6,465,970	\$ (6,524,632)	\$ 109,297
Due to Others	441	11,777,780	(11,778,221)	0
Total Liabilities	<u>\$ 168,400</u>	<u>\$ 18,243,750</u>	<u>\$ (18,302,853)</u>	<u>\$ 109,297</u>
<u>Park District</u>				
Assets:				
Cash and Cash Equivalents	\$1,094	\$526,383	(\$293,856)	\$233,621
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$ 1,094</u>	<u>\$ 526,383</u>	<u>\$ (293,856)</u>	<u>\$ 233,621</u>
Liabilities:				
Due to Others	\$ 1,094	\$ 526,383	\$ (293,856)	\$ 233,621
Total Liabilities	<u>\$1,094</u>	<u>\$526,383</u>	<u>(\$293,856)</u>	<u>\$233,621</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007**

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 3,841,847	\$ 77,822,564	\$ (77,296,556)	\$ 4,367,855
Cash and Cash Equivalents in Segregated Accounts	349,982	8,364,126	(8,345,588)	368,520
Receivables:				
Taxes	52,771,942	51,024,356	(52,771,942)	51,024,356
Accounts	7,075	8,852	(7,075)	8,852
Special Assessments	0	20,734	0	20,734
Intergovernmental	3,290,249	3,352,129	(3,290,249)	3,352,129
Total Assets	<u>\$ 60,261,095</u>	<u>\$ 140,592,761</u>	<u>\$ (141,711,410)</u>	<u>\$ 59,142,446</u>
Liabilities:				
Intergovernmental Payable	\$ 58,735,912	\$ 122,535,677	\$ (123,718,603)	\$ 57,552,986
Undistributed Monies	347,222	366,940	(347,222)	366,940
Due to Others	1,177,961	17,690,144	(17,645,585)	1,222,520
Total Liabilities	<u>\$ 60,261,095</u>	<u>\$ 140,592,761</u>	<u>\$ (141,711,410)</u>	<u>\$ 59,142,446</u>

COMPONENT UNITS

KNOX COUNTY, OHIO

Statement of Cash Flows

Component Unit

For the Year Ended December 31, 2007

	Knox County Airport
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$417,145
Cash Payments to Suppliers for Goods and Services	(270,621)
Cash Payments to Employees for Service	(81,024)
Other Operating Receipts	25,408
Net Cash Provided by Operating Activities	<u>90,908</u>
<u>Cash Flows from Noncapital and Related Financing Activities:</u>	
Operating Grant	46,000
Net Cash Provided by Noncapital and Related Financing Activities	<u>46,000</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Capital Grant	349,305
Acquisition of Capital Assets	(582,183)
Debt Principal Retirement	(31,200)
Interest Paid on Debt	(34,603)
Net Cash Used for Capital and Related Financing Activities	<u>(298,681)</u>
Net Decrease in Cash and Cash Equivalents	(161,773)
Cash and Cash Equivalents at Beginning of Year	596,829
Cash and Cash Equivalents at End of Year	<u><u>\$435,056</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Loss	(\$36,056)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities:	
Depreciation Expense	124,551
Miscellaneous Nonoperating Income (Expense)	(2,920)
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(2,494)
Increase in Inventory	(3,344)
Decrease in Accounts Payable	(4,868)
Increase in Due to Primary Government	16,039
Total Adjustments	<u>126,964</u>
Net Cash Provided by Operating Activities	<u><u>\$90,908</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2007 the Airport had outstanding liabilities of \$153,245 for certain capital assets.

*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, 2007***

<u>Capital Assets</u>	
Land	\$3,511,122
Buildings and Improvements	26,924,065
Vehicles	2,674,226
Machinery and Equipment	4,605,761
Computer Equipment	1,050,151
Infrastructure	44,762,699
Total Capital Assets	<u><u>\$83,528,024</u></u>

<u>Investment in Capital Assets</u>	
Federal Grants	\$1,394,066
State Grants	3,044,796
Local Grants	448,736
General Fund	3,553,673
Special Revenue Funds	16,067,097
Capital Projects	46,918,562
Donations	1,711,042
Note or Bonded Debt	10,390,052
Total Investment in Capital Assets	<u><u>\$83,528,024</u></u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2007***

<u>Function and Category</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>
General Government	\$13,150,998	\$1,146,676	\$10,193,683
Judicial	468,355	17,043	50,031
Public Safety	9,510,916	13,056	7,560,216
Public Works	50,574,066	2,195,094	697,844
Health	3,796,953	5,006	3,676,417
Human Services	<u>6,026,736</u>	<u>134,247</u>	<u>4,745,874</u>
Total Capital Assets	<u><u>\$83,528,024</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>
\$1,456,671	\$99,430	\$254,538	\$0
109,390	51,859	240,032	0
1,061,298	552,775	323,571	0
1,505,997	1,366,828	45,604	44,762,699
13,397	91,468	10,665	0
<u>459,008</u>	<u>511,866</u>	<u>175,741</u>	<u>0</u>
<u><u>\$4,605,761</u></u>	<u><u>\$2,674,226</u></u>	<u><u>\$1,050,151</u></u>	<u><u>\$44,762,699</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, 2007***

<u>Function</u>	<u>December 31, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2007</u>
General Government	\$13,101,250	\$81,817	(\$32,069)	\$13,150,998
Judicial	422,753	71,210	(25,608)	468,355
Public Safety	9,508,884	76,301	(74,269)	9,510,916
Public Works	49,747,193	2,260,471	(1,433,598)	50,574,066
Health	3,760,041	36,912	0	3,796,953
Human Services	<u>6,097,277</u>	<u>72,502</u>	<u>(143,043)</u>	<u>6,026,736</u>
Total Capital Assets	<u>\$82,637,398</u>	<u>\$2,599,213</u>	<u>(\$1,708,587)</u>	<u>\$83,528,024</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 2 – S 13
These schedules contain trend information to help the reader understand how the County’s financial position has changed over time.	
Revenue Capacity	S 14 – S 21
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 22 – S 31
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 32 – S 35
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 36 – S 43
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 Five Years
(accrual basis of accounting)*

	2003	2004	2005	2006
Governmental Activities:				(2)
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	5,001,152
Total Governmental Activities Net Assets	<u>\$61,028,996</u>	<u>\$63,461,532</u>	<u>\$66,540,507</u>	<u>\$71,059,942</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	5,675,056
Total Primary Government Net Assets	<u>\$63,755,655</u>	<u>\$66,501,279</u>	<u>\$69,818,276</u>	<u>\$74,535,545</u>

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

Source: County Auditor's Office

(2) Net Assets were restated for 2006 as a result of a prior period adjustment.

Knox County, Ohio

2007

\$46,412,153
19,198,230
6,207,084
\$71,817,467

\$3,028,127
874,504
\$3,902,631

\$49,440,280
19,198,230
7,081,588
\$75,720,098

Knox County, Ohio

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

	2003	2004	2005	2006 (2)
Expenses				
Governmental Activities:				
Legislative and Executive	\$7,089,635	\$7,278,991	\$6,122,181	\$6,400,430
Judicial	1,769,703	1,934,458	2,039,252	2,229,258
Public Safety	5,386,148	5,733,059	6,043,282	6,107,506
Public Works (1)	3,636,612	5,427,085	5,712,117	5,621,382
Health	466,347	478,172	395,115	454,620
Human Services	11,960,600	12,136,393	11,524,199	12,300,815
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>35,285,311</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>\$36,507,338</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.

(2) Net Assets were restated for 2006 as a result of a prior period adjustment.

Knox County, Ohio

2007

\$6,596,815
2,178,492
6,023,816
6,966,197
551,510
14,053,643
2,081,824
499,031
38,951,328

1,035,406
0

1,035,406

\$39,986,734

\$1,333,018
625,573
736,359
61,676
170,066
230,807
16,638,278
848,177
20,643,954

(Continued)

Knox County, Ohio

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

	2003	2004	2005	2006
Business-type Activities:				(2)
Charges for Services				
Sewer	1,056,339	1,143,970	1,262,302	1,236,912
Landfill	0	0	0	0
Capital Grants and Contributions	178,508	168,456	145,523	74,693
<i>Total Business-type Activities Program Revenues</i>	1,234,847	1,312,426	1,407,825	1,311,605
<i>Total Primary Government Program Revenues</i>	16,436,636	20,895,527	18,705,624	23,016,055
Net (Expense)/Revenue				
Governmental Activities	(15,727,111)	(13,989,491)	(16,776,179)	(13,580,861)
Business-type Activities	529,398	242,213	177,377	89,578
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$15,197,713)	(\$13,747,278)	(\$16,598,802)	(\$13,491,283)
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>	13,824,268	16,422,027	17,846,001	18,100,296
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>	797,113	70,875	60,645	108,256
<i>Total Primary Government</i>	\$14,621,381	\$16,492,902	\$17,906,646	\$18,208,552
Change in Net Assets				
Governmental Activities	(\$1,902,843)	\$2,432,536	\$1,069,822	\$4,519,435
Business-type Activities	1,326,511	313,088	238,022	197,834
<i>Total Primary Government Change in Net Assets</i>	(\$576,332)	\$2,745,624	\$1,307,844	\$4,717,269

Source: County Auditor's Office

Knox County, Ohio

2007

1,298,431

21,017

56,368

1,375,816

22,019,770

(18,307,374)

340,410

(\$17,966,964)

\$3,823,813

4,188,238

5,404,743

2,357,839

1,499,020

1,784,125

7,121

19,064,899

93,739

(7,121)

86,618

\$19,151,517

\$757,525

427,028

\$1,184,553

Knox County, Ohio

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

	1998	1999	2000	2001	2002
General Fund					
Reserved	\$338,786	\$345,806	\$379,420	\$366,090	\$876,922
Unreserved	2,021,297	1,849,958	1,823,543	3,745,579	2,841,066
<i>Total General Fund</i>	<u>2,360,083</u>	<u>2,195,764</u>	<u>2,202,963</u>	<u>4,111,669</u>	<u>3,717,988</u>
All Other Governmental Funds					
Reserved	1,382,734	2,074,385	6,870,064	2,461,234	1,513,524
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	6,768,792	7,259,341	7,649,432	9,302,740	8,792,392
Debt Service Funds	245,613	260,826	498,177	578,545	635,619
Capital Projects Funds	2,497,751	2,298,132	(4,349,883)	2,210,498	1,878,745
<i>Total All Other Governmental Funds</i>	<u>10,894,890</u>	<u>11,892,684</u>	<u>10,667,790</u>	<u>14,553,017</u>	<u>12,820,280</u>
<i>Total Governmental Funds</i>	<u>\$13,254,973</u>	<u>\$14,088,448</u>	<u>\$12,870,753</u>	<u>\$18,664,686</u>	<u>\$16,538,268</u>

Source: County Auditor's Office

Knox County, Ohio

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$648,831	\$462,282	\$594,697	\$497,138	\$662,662
<u>2,554,864</u>	<u>2,622,071</u>	<u>1,700,477</u>	<u>1,988,947</u>	<u>2,089,151</u>
<u>3,203,695</u>	<u>3,084,353</u>	<u>2,295,174</u>	<u>2,486,085</u>	<u>2,751,813</u>
1,909,605	1,838,062	2,183,810	2,233,541	2,552,965
8,049,545	10,093,651	11,804,232	12,891,879	12,763,343
0	0	0	0	0
<u>2,107,380</u>	<u>1,245,265</u>	<u>819,622</u>	<u>411,586</u>	<u>611,413</u>
<u>12,066,530</u>	<u>13,176,978</u>	<u>14,807,664</u>	<u>15,537,006</u>	<u>15,927,721</u>
<u>\$15,270,225</u>	<u>\$16,261,331</u>	<u>\$17,102,838</u>	<u>\$18,023,091</u>	<u>\$18,679,534</u>

Knox County, Ohio

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

	1998	1999	2000	2001
Revenues:				
Taxes	\$8,522,953	\$9,116,222	\$10,018,445	\$9,787,810
Intergovernmental Revenues	12,163,802	12,480,135	17,532,176	20,708,975
Charges for Services	2,463,225	2,584,716	2,544,910	2,836,828
Licenses and Permits	105,306	107,900	97,070	117,776
Investment Earnings	1,095,352	1,233,607	1,524,354	1,536,669
Special Assessments	548,482	495,428	431,104	404,081
Fines and Forfeitures	95,066	63,819	72,799	66,336
All Other Revenue	875,929	1,195,467	742,434	1,070,933
Total Revenue	<u>25,870,115</u>	<u>27,277,294</u>	<u>32,963,292</u>	<u>36,529,408</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	3,480,262	3,622,019	4,511,051	4,860,082
Judicial	1,173,930	1,408,310	1,475,157	1,574,654
Public Safety	3,154,859	3,521,691	3,770,772	4,448,211
Public Works	4,399,121	4,501,269	4,469,823	4,086,178
Health	197,921	213,783	324,844	285,930
Human Services	8,059,404	10,272,419	11,335,746	13,297,236
Conservation and Recreation	1,119	34,000	0	0
Other	1,589	2,723	1,848	30,071
Intergovernmental	0	0	0	0
Capital Outlay	2,758,478	1,878,619	7,583,661	10,181,363
Debt Service:				
Principal Retirement	1,703,427	563,075	460,959	472,028
Interest and Fiscal Charges	407,768	358,936	331,368	833,265
Total Expenditures	<u>25,337,878</u>	<u>26,376,844</u>	<u>34,265,229</u>	<u>40,069,018</u>
Excess (Deficiency) of Revenues Over Expenditures	532,237	900,450	(1,301,937)	(3,539,610)

Knox County, Ohio

2002	2003	2004	2005	2006	2007
\$9,728,904	\$11,603,148	\$12,050,302	\$13,187,367	\$13,209,994	\$13,383,880
17,011,475	14,428,199	18,715,280	16,017,172	19,943,838	19,842,435
2,983,209	3,115,139	3,075,611	3,136,918	3,100,123	2,909,318
108,978	122,658	123,798	128,829	120,094	138,752
390,210	332,673	403,721	690,552	1,150,972	1,380,218
185,399	232,199	214,232	47,240	29,938	25,227
82,526	89,492	75,621	81,119	85,710	95,514
1,246,036	945,500	1,778,066	2,155,115	1,572,986	1,995,442
<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>	<u>39,770,786</u>
5,028,221	5,983,455	6,715,071	6,733,588	6,377,665	6,437,179
1,751,198	1,759,399	1,924,466	2,020,580	2,255,843	2,168,442
4,707,732	4,953,020	5,734,322	5,549,473	5,699,038	5,696,130
3,976,355	4,223,164	4,651,423	5,934,571	5,094,317	5,751,430
315,828	405,707	415,342	329,875	385,050	478,587
12,088,490	11,853,157	12,187,436	12,144,183	12,259,649	14,098,762
2,000	0	0	0	0	0
1,396	0	0	0	0	0
0	0	0	0	1,651,020	2,081,824
5,902,503	1,539,268	2,447,070	2,704,731	3,457,932	1,696,281
712,870	703,075	718,296	666,806	637,433	658,364
709,687	622,997	587,622	550,847	524,549	502,744
<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>	<u>39,569,743</u>
(3,459,543)	(1,174,234)	1,055,583	(1,190,342)	871,159	201,043

(Continued)

Knox County, Ohio

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	0	51,844	60,581
Proceeds of Bonds	1,200,000	0	0	8,225,000
Proceeds of Notes	0	0	24,764	0
Inception of Capital Lease	0	0	0	15,730
Other Financing Sources - Capital Leases	0	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	1,682,822	2,691,813	1,951,410	855,125
Transfers Out	(1,830,430)	(2,760,995)	(2,081,799)	(940,225)
Total Other Financing Sources (Uses)	<u>1,052,392</u>	<u>(69,182)</u>	<u>(53,781)</u>	<u>8,216,211</u>
Net Change in Fund Balance	<u>\$1,584,629</u>	<u>\$831,268</u>	<u>(\$1,355,718)</u>	<u>\$4,676,601</u>
 Debt Service as a Percentage of Noncapital Expenditures	 10.07%	 3.85%	 2.86%	 4.59%

Source: County Auditor's Office

Knox County, Ohio

2002	2003	2004	2005	2006	2007
35,610	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	165,700
0	0	0	135,302	0	0
0	0	32,704	0	0	356,656
1,360,000	0	0	0	0	0
1,630	0	0	0	0	0
1,085,895	1,978,354	1,269,966	1,983,541	1,995,279	1,715,767
(1,245,742)	(2,131,323)	(1,340,841)	(2,044,186)	(2,009,730)	(1,708,646)
<u>1,237,393</u>	<u>(152,969)</u>	<u>(38,171)</u>	<u>74,657</u>	<u>(14,451)</u>	<u>529,477</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>	<u>\$730,520</u>
4.72%	4.64%	4.30%	3.96%	3.66%	3.24%

Knox County, Ohio

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

Tax year	1998	1999	2000	2001
Real Property				
Assessed	\$534,118	\$551,110	\$664,739	\$693,254
Actual	1,526,051	1,574,600	1,899,254	1,980,726
Public Utility				
Assessed	48,978	49,306	48,862	46,059
Actual	195,910	197,233	195,446	184,234
Tangible Personal Property				
Assessed	92,328	101,276	105,495	123,909
Actual	369,312	405,104	421,980	495,636
Total				
Assessed	675,424	701,692	819,096	863,222
Actual	2,091,273	2,176,937	2,516,680	2,660,596
Assessed Value as a Percentage of Actual Value	32.30%	32.23%	32.55%	32.44%
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, at 18.75% for 2006 and 12.5% for 2007.

Knox County, Ohio

2002	2003	2004	2005	2006	2007
\$707,736	\$809,928	\$832,520	\$853,649	\$954,584	\$979,076
2,022,103	2,314,080	2,378,629	2,438,997	2,727,383	2,797,360
38,254	38,990	39,157	39,394	39,517	39,535
153,015	155,961	156,630	157,577	158,068	158,140
97,689	111,165	104,743	101,788	96,790	77,143
390,756	444,660	418,972	407,152	516,213	617,144
843,679	960,083	976,420	994,831	1,090,891	1,095,754
2,565,874	2,914,701	2,954,231	3,003,726	3,401,664	3,572,644
32.88%	32.94%	33.05%	33.12%	32.07%	30.67%
\$8.70	\$9.70	\$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	1998	1999	2000	2001
Direct 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 - 8.70	0.30 - 8.35	0.30 - 7.70	0.30 - 7.50
In County School Districts	34.10 - 49.20	34.10 - 49.20	34.10 - 49.20	36.74 - 54.53
Out of County School Districts	36.80 - 52.38	36.40 - 52.38	35.7 - 50.80	35.70 - 50.20
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 - 5.50

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

2002	2003	2004	2005	2006	2007
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	1.00	1.00	1.00	1.00	1.00
0.40	0.40	0.40	0.40	0.40	0.40
8.70	9.70	9.70	9.70	9.70	9.70
3.20	3.20	3.20	3.20	3.20	3.20
3.50 - 8.80	2.50 - 7.40	2.50 - 7.40	2.50 - 8.60	2.50 - 8.60	2.50 - 8.60
0.30 - 7.50	0.30 - 7.60	0.30 - 7.60	0.30 - 7.60	0.30 - 7.60	0.30 - 9.15
36.74 - 54.53	35.43 - 54.53	35.43 - 54.53	35.29 - 54.09	34.00 - 53.40	33.83 - 48.69
35.60 - 50.20	35.00 - 50.20	35.00 - 50.20	35.17 - 49.25	40.90 - 47.65	34.10 - 47.85
2.00 - 6.40	3.80 - 6.40	2.80 - 6.40	3.00 - 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	0.41 - 5.50	0.41 - 5.91



Knox County, Ohio

*Principal Taxpayers
Property Tax
Current Year and Nine Years Ago*

		2007		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Public Utility	\$18,807,900	1	1.72%
Rolls Royce Energy Systems Inc	Business	11,331,376	2	1.03%
Wal Mart Corp	Business	9,150,750	3	0.84%
Ariel Corporation	Business	7,950,630	4	0.73%
FT Precision Inc	Business	7,101,120	5	0.65%
Licking Rural Electrification Inc	Public Utility	6,241,370	6	0.57%
Columbia Gas Transmission	Public Utility	5,014,180	7	0.46%
United Telephone Company of Ohio	Public Utility	4,281,560	8	0.39%
Cooper Cameron Corporation	Business	3,404,890	9	0.31%
Weyerhaeuser Corporation	Business	3,317,890	10	0.30%
Subtotal		<u>76,601,666</u>		7.00%
All Others		<u>1,019,151,791</u>		93.00%
Total		<u><u>\$1,095,753,457</u></u>		<u><u>100.00%</u></u>
		1998		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Mt. Vernon Shopping Plaza Inc	Business	\$63,395,060	1	9.39%
Cooper Cameron Corporation	Business	32,134,620	2	4.76%
Ohio Power Company	Public Utility	18,711,190	3	2.77%
United Telephone Company	Public Utility	13,332,470	4	1.97%
Columbia Gas of Ohio	Public Utility	6,243,340	5	0.92%
Ariel Corporation	Business	5,893,790	6	0.87%
Columbia Gas Transmission	Public Utility	4,718,770	7	0.70%
Weyerhaeuser Corporation	Business	4,396,950	8	0.65%
Licking Rural Electrification	Public Utility	4,244,070	9	0.63%
Jeld-Wen Inc	Business	3,914,625	10	0.58%
Subtotal		<u>156,984,885</u>		23.24%
All Others		<u>518,438,118</u>		76.76%
Total		<u><u>\$675,423,003</u></u>		<u><u>100.00%</u></u>

Source: County Auditor - Land and Buildings
Based on valuation of property in 2007 and 1998

Knox County, Ohio

Property Tax Levies and Collections Last Ten Years

Collection Year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Current					
Tax Levy (1)	\$4,893,733	\$5,072,506	\$5,731,554	\$6,010,338	\$6,064,379
Current Tax Collections	4,278,591	4,454,675	5,050,645	5,252,434	5,270,552
Percent of Levy Collected	87.43%	87.82%	88.12%	87.39%	86.91%
Delinquent					
Tax Levy (1)	\$257,513	\$263,541	\$283,298	\$300,915	\$353,530
Tax Collections	<u>176,216</u>	<u>182,845</u>	<u>195,872</u>	<u>193,338</u>	<u>227,214</u>
Percent of Levy Collected	68.43%	69.38%	69.14%	64.25%	64.27%
Total					
Tax Levy (1)	\$5,151,246	\$5,336,047	\$6,014,852	\$6,311,253	\$6,417,909
Tax Collections	<u>4,454,807</u>	<u>4,637,520</u>	<u>5,246,517</u>	<u>5,445,772</u>	<u>5,497,766</u>
Percent of Levy Collected	86.48%	86.91%	87.23%	86.29%	85.66%

(1) Taxes levied and collected are presented on a cash basis.

Source: County Auditor's Office

Knox County, Ohio

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$7,427,715	\$7,769,928	\$8,242,873	\$8,472,409	\$9,312,816
6,465,083	6,723,319	6,938,026	7,167,658	7,725,912
87.04%	86.53%	84.17%	84.60%	82.96%
\$400,175	\$471,156	\$465,790	\$385,170	\$519,205
252,150	314,638	336,393	290,919	302,540
63.01%	66.78%	72.22%	75.53%	58.27%
\$7,827,890	\$8,241,084	\$8,708,663	\$8,857,579	\$9,832,021
6,717,233	7,037,957	7,274,419	7,458,577	8,028,452
85.81%	85.40%	83.53%	84.21%	81.66%

Knox County, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$3,575,000	\$3,455,000	\$3,335,000	\$11,435,000
Special Assessment Bonds Payable	1,582,000	1,280,000	1,000,000	695,000
Installment Note	420,000	375,000	330,000	280,000
OPWC Loan Payable	0	0	0	0
Capital Leases	21,981	0	0	13,702
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$0	\$79,325	\$77,803	\$76,196
Total Primary Government	<u>\$5,598,981</u>	<u>\$5,189,325</u>	<u>\$4,742,803</u>	<u>\$12,499,898</u>
Population ⁽²⁾				
Knox County	53,543	54,061	54,655	55,445
Outstanding Debt Per Capita	\$105	\$96	\$87	\$225
Income ⁽²⁾				
Personal (in thousands)	1,148,069	1,170,853	1,267,832	1,313,215
Percentage of Personal Income	0.49%	0.44%	0.37%	0.95%

Sources:

(1) Source: County Auditor's Office

(2) US Department of Commerce, Bureau of Economic Analysis

Knox County, Ohio

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$12,385,000	\$11,910,000	\$11,420,000	\$10,910,000	\$10,380,000	\$9,830,000
430,000	260,000	90,000	0	0	0
230,000	175,000	120,000	60,000	0	0
0	0	32,704	29,434	26,163	343,883
10,832	7,757	4,461	136,227	92,065	188,337
<u>\$74,498</u>	<u>\$72,705</u>	<u>\$70,811</u>	<u>\$68,810</u>	<u>\$66,695</u>	<u>\$64,462</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>	<u>\$10,426,682</u>
56,275	57,057	57,757	54,500	58,456	58,561
\$233	\$218	\$203	\$206	\$181	\$178
1,350,600	1,398,524	1,490,881	1,429,099	1,614,729	1,617,631
0.97%	0.89%	0.79%	0.78%	0.65%	0.64%

Knox County, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1998	1999	2000	2001
Population (1)	53,543	54,061	54,655	55,445
Assessed Value (In thousands) (2)	\$675,424	\$701,692	\$819,096	\$863,222
General Bonded Debt (3)				
General Obligation Bonds	\$3,575,000	\$3,455,000	\$3,335,000	\$11,435,000
Resources Available to Pay Principal (4)	\$245,316	\$260,826	\$498,148	\$578,365
Net General Bonded Debt	\$3,329,684	\$3,194,174	\$2,836,852	\$10,856,635
Ratio of Net Bonded Debt to Assessed Value	0.49%	0.46%	0.35%	1.26%
Net Bonded Debt per Capita	\$62.19	\$59.08	\$51.90	\$195.81

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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
56,275	57,057	57,757	54,500	58,456	58,561
\$843,679	\$960,083	\$976,420	\$994,831	\$1,090,891	\$1,095,754
\$12,385,000	\$11,910,000	\$11,420,000	\$10,910,000	\$10,380,000	\$9,830,000
\$635,439	\$654,049	\$709,423	\$635,926	\$655,708	\$659,431
\$11,749,561	\$11,255,951	\$10,710,577	\$10,274,074	\$9,724,292	\$9,170,569
1.39%	1.17%	1.10%	1.03%	0.89%	0.84%
\$208.79	\$197.28	\$185.44	\$188.52	\$166.35	\$156.60



Knox County, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2007*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to County (1)	Amount Applicable to County
Direct:			
Knox County	\$9,830,000	100.00%	\$9,830,000
Overlapping:			
All Cities wholly within the County	3,229,395	100.00%	3,229,395
All Townships wholly within the County	404,518	100.00%	404,518
All School Districts wholly within the County	27,526,982	100.00%	27,526,982
Clear Fork School District	6,703,511	6.20%	<u>415,618</u>
		Subtotal	<u>31,576,513</u>
		Total	<u><u>\$41,406,513</u></u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the political subdivision. The valuations used were for the 2007 collection year.

Source: Knox County Auditor

Knox County, Ohio

Debt Limitations Last Ten Years

Collection Year	1998	1999	2000	2001
Total Debt				
Net Assessed Valuation	\$675,423,003	\$701,692,107	\$819,095,981	\$863,221,722
Legal Debt Limitation (%) ^{(1)(a)}	2.28%	2.29%	2.32%	2.33%
Legal Debt Limitation (\$) ⁽¹⁾	15,385,575	16,042,303	18,977,400	20,080,543
County Debt Outstanding ⁽²⁾	4,093,050	3,830,000	3,665,000	4,855,000
Less: Applicable Debt Service Fund Amounts	(245,316)	(260,826)	(498,148)	(578,365)
Net Indebtedness Subject to Limitation	<u>3,847,734</u>	<u>3,569,174</u>	<u>3,166,852</u>	<u>4,276,635</u>
Overall Legal Debt Margin	<u><u>\$11,537,841</u></u>	<u><u>\$12,473,129</u></u>	<u><u>\$15,810,548</u></u>	<u><u>\$15,803,908</u></u>
Unvoted Debt				
Net Assessed Valuation	\$675,423,003	\$701,692,107	\$819,095,981	\$863,221,722
Legal Debt Limitation (%) ^{(1)(b)}	1.00%	1.00%	1.00%	1.00%
Legal Debt Limitation (\$) ⁽¹⁾	6,754,230	7,016,921	8,190,960	8,632,217
County Debt Outstanding ⁽²⁾	4,093,050	3,830,000	3,665,000	4,855,000
Less: Applicable Debt Service Fund Amounts	(245,316)	(260,826)	(498,148)	(578,365)
Net Indebtedness Subject to Limitation	<u>3,847,734</u>	<u>3,569,174</u>	<u>3,166,852</u>	<u>4,276,635</u>
Overall Legal Debt Margin	<u><u>\$2,906,496</u></u>	<u><u>\$3,447,747</u></u>	<u><u>\$5,024,108</u></u>	<u><u>\$4,355,582</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

2002	2003	2004	2005	2006	2007
\$843,678,684	\$960,084,059	\$976,420,398	\$994,830,648	\$1,090,891,142	\$1,095,753,457
2.32%	2.34%	2.35%	2.35%	2.36%	2.36%
19,591,967	22,502,101	22,910,510	23,370,766	25,772,279	25,893,836
6,025,000	5,778,000	5,524,000	5,258,000	4,980,000	4,690,000
635,439	(654,049)	(709,423)	(635,926)	(655,708)	(659,431)
<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>4,030,569</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>	<u>\$21,863,267</u>
\$843,678,684	\$960,084,059	\$976,420,398	\$994,830,648	\$1,090,891,142	\$1,095,753,457
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
8,436,787	9,600,841	9,764,204	9,948,306	10,908,911	10,957,535
6,025,000	5,778,000	5,524,000	5,258,000	4,980,000	4,690,000
635,439	(654,049)	(709,423)	(635,926)	(655,708)	(659,431)
<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>4,030,569</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>	<u>\$6,926,966</u>

Knox County, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	1998	1999	2000	2001
Special Assessment Bonds (1)				
Special Assessment Collections	\$538,589	\$492,755	\$426,268	\$398,271
Debt Service				
Principal	292,000	302,000	295,000	295,000
Interest	182,838	149,081	119,769	90,894
Coverage	1.13	1.09	1.03	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

2002	2003	2004	2005	2006	2007
\$326,743	\$224,787	\$201,221	\$37,155	\$18,195	\$12,517
250,000	170,000	170,000	90,000	0	0
62,025	37,925	22,731	7,538	0	0
1.05	1.08	1.04	0.38	N/A	N/A

Knox County, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	1998	1999	2000	2001
Population (1)				
Knox County	53,543	54,061	54,655	55,445
Income (1)				
Total Personal (in thousands)	1,148,069	1,170,853	1,267,832	1,313,215
Per Capita (1)(a)	21,442	21,658	23,197	23,685
Unemployment Rate (2)				
Federal	4.9%	4.5%	4.2%	3.8%
State	4.6%	4.3%	4.3%	3.7%
Knox County	4.7%	4.7%	4.0%	3.7%
Civilian Work Force Estimates (2)				
State	5,678,000	5,749,000	5,900,400	5,857,000
Knox County	26,200	26,300	26,000	26,600
Employment Distribution by Occupation (3)				
Manufacturing	4,274	4,274	4,274	4,542
Wholesale/Retail	2,847	2,847	2,847	3,799
Services	3,626	3,626	3,626	4,372
State and Local Government	2,575	2,575	2,575	2,705
Finance, Insurance, Real Estate	482	482	482	533
Transportation and Public Utilities	396	396	396	429
Construction	893	893	893	755
Agriculture, Forestry, Fisheries and Mining	321	321	321	343

Sources:

(1) US Department of Commerce, Bureau of Economic Analysis

(a) Information is only available through 2006. For the presentation of 2007 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

2002	2003	2004	2005	2006	2007
56,275	57,057	57,757	54,500	58,456	58,561
1,350,600	1,398,524	1,490,881	1,429,099	1,614,729	1,617,631
24,000	24,511	25,813	26,222	27,623	27,623
4.8%	5.8%	6.0%	5.5%	5.0%	4.6%
4.3%	5.7%	6.1%	6.0%	5.9%	5.6%
4.7%	5.8%	5.6%	5.4%	5.1%	5.4%
5,828,000	5,915,000	5,875,300	5,900,400	5,934,000	5,976,500
26,900	27,600	29,200	30,100	30,500	31,000
4,542	4,151	4,476	4,151	4,151	4,621
3,799	2,502	2,443	2,502	2,502	2,657
4,372	6,583	6,296	6,583	6,583	7,085
2,705	2,830	2,760	2,830	2,830	2,887
533	555	528	555	555	579
429	179	264	179	179	203
755	812	777	812	812	921
343	209	212	209	209	204



Knox County, Ohio

Principal Employers Current Year and Two Years Ago

		2007		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Rolls Royce Energy Systems	Business	855	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	419	8	0.01
TRW Automotives	Business	400	9	0.01
Kokosing Construction	Business	400	10	0.01
Total		<u>5,432</u>		
Total Employment within the County		<u><u>31,000</u></u>		
		2005		
Employer	Nature of Business	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

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Legislative and Executive					
Commissioners	17	15	15	21	22
Auditor	9	11	10	11	12
Treasurer	5	5	5	5	5
Prosecutor	8	8	8	8	8
Board of Elections	4	4	4	4	4
Recorder	5	6	6	6	6
Judicial					
Public Defender	6	6	7	6	6
Probate	4	4	4	4	3
Clerk of Courts	10	12	11	11	12
Common Pleas	7	7	10	9	9
Juvenile	11	14	19	18	19
Municipal Court	4	4	4	4	4
Public Safety					
Sheriff	48	50	54	53	56
911 Emergency Calling	17	20	20	20	23
Coroner	1	1	1	1	1
Emergency Management Agency	2	2	2	2	2
Public Works					
Roads and Bridges	41	40	41	39	39
Maps	3	3	3	3	3
Human Services					
MRDD	67	72	76	76	82
Public Assistance	43	45	53	54	56
Child Support Enforcement	13	12	10	12	14
Childrens Services	18	15	15	17	18
Veterans Services	2	3	3	2	2
Health					
Animal Control	3	3	3	3	3
Business-Type Activities					
Utilities					
Sewer	9	10	10	12	9
<i>Total Employees</i>	<u>357</u>	<u>372</u>	<u>394</u>	<u>401</u>	<u>418</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

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
18	16	18	17	17
12	10	10	10	10
5	5	5	5	5
7	8	8	7	8
4	4	4	5	5
6	6	5	6	5
6	6	6	6	6
6	6	4	5	5
13	14	11	10	12
10	10	11	12	11
17	18	15	16	16
4	4	4	4	4
60	64	66	65	70
24	26	26	25	26
1	1	1	1	1
3	2	2	3	2
40	36	39	38	36
3	3	3	3	3
86	90	83	77	63
55	55	56	61	63
14	13	13	13	12
15	15	15	15	18
3	4	6	6	5
4	3	3	5	5
10	11	11	11	11
<u>426</u>	<u>430</u>	<u>425</u>	<u>426</u>	<u>419</u>

Knox County, Ohio

Operating Indicators by Function Last Ten Years

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Legislative and Executive					
Number of Tax Bills	38,035	38,391	38,764	39,373	39,768
Number of Registered Voters	32,089	32,721	35,140	30,709	31,630
Number of Documents Recorded	35,021	34,252	31,258	20,069	18,556
Judicial					
Number of Probation Cases	408	395	365	358	301
Number of Traffic Cases	599	649	502	543	551
Number of Marriage Licenses	387	435	423	393	401
Public Safety					
Sheriff					
Number of Burglaries	233	185	158	167	193
Number of Larceny Investigations	370	413	485	462	312
Number of Traffic Accidents	434	542	531	548	435
Public Works					
Roads and Bridges					
Number of Tons of Asphalt Used	19,097	16,064	11,141	14,102	6,551
Number of Bridges Replaced	9	1	9	6	7
Number of Culverts Replaced	45	52	31	45	31
Human Service					
MRDD					
Number of Programs Offered	6	6	6	6	6
Number of Individuals Served	296	290	307	325	363
Number of Individuals on Waiting Lists	57	57	105	158	107
Health					
Number of Birth & Death Certificates Issued	4,595	4,537	4,155	4,106	4,267
Number of Sewage Permits Issued	361	350	294	276	315
Number of Patients Served in Medical Clinic	773	502	517	404	1,198

Knox County, Ohio

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
40,126	40,444	40,719	41,374	41,374
31,897	36,972	34,776	36,349	36,123
21,325	15,925	16,242	14,819	12,375
305	298	309	277	310
476	391	416	442	350
396	429	467	462	412
178	159	199	140	203
377	408	381	375	397
446	392	292	249	252
17,309	8,458	13,654	3,816	10,059
13	16	13	15	6
46	132	117	122	106
6	5	5	5	8
341	379	396	345	365
120	242	237	289	354
4,314	4,340	4,440	4,312	4,230
278	263	218	284	111
1,471	1,502	1,740	1,662	1,483

(Continued)

Knox County, Ohio

Operating Indicators by Function Last Ten Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Business-Type Activities					
Sewer					
Number of Water Leaks	15	18	22	25	23
Number of New Services	115	104	116	109	99
Number of Install of Grinder Units	2	8	3	3	3

Source: Knox County Auditor

Knox County, Ohio

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
34	14	12	12	37
122	99	101	65	41
1	2	4	4	3

Knox County, Ohio

Capital Asset Statistics by Function Last Ten Years

	1998	1999	2000	2001	2002
Governmental Activities					
General Government					
Legislative and Executive					
Land (acres)	292.629	292.629	296.799	296.799	296.799
Buildings	9	10	10	54	54
Vehicles	2	3	3	4	4
Judicial					
Buildings	2	2	2	2	2
Public Safety					
Sheriff					
Stations	1	1	1	1	1
Vehicles	23	26	26	27	28
Public Works					
Land (acres)	10.680	10.680	10.680	10.180	10.180
Buildings	8	9	8	8	8
Vehicles	51	52	52	48	47
Health					
Land (acres)	3.180	3.180	3.180	3.180	3.180
Buildings	2	2	2	3	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	20	21	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	5	7	7
Landfill					
Land (acres)	229.569	211.669	229.569	229.569	229.569

Source: County Auditor's Office

Knox County, Ohio

2003	2004	2005	2006	2007
272.592	272.592	272.592	272.592	272.592
54	54	55	55	55
5	6	5	5	5
2	2	2	2	2
1	1	1	1	1
29	30	32	33	31
10.180	10.180	10.180	10.180	10.180
8	8	8	8	8
46	46	44	44	35
3.180	3.180	3.180	3.180	3.180
3	3	3	5	5
4	4	4	4	6
23.546	23.546	23.546	23.546	23.546
13	13	13	13	13
20	21	16	18	17
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 24, 2008**