



**Auditor of State
Betty Montgomery**

**FINANCIAL CONDITION
KNOX COUNTY**

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KNOX COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005

Federal Program	CFDA #	Pass-through Agency Awarding Number	Disbursements
United States Department of Transportation:			
Passed-through Ohio Department of Transportation: Highway Planning and Construction Grant	20.205	04N157	\$732,524
Direct Program: Airport Improvement Program	20.106	N/A	<u>2,432,585</u>
Total U.S. Department of Transportation			<u>3,165,109</u>
United States Department of Agriculture			
Direct Program: Community Facilities Loans and Grants	10.766	N/A	<u>39,182</u>
United States Department of Labor:			
Passed-through Ohio Department of Job and Family Services: WIA Cluster			
Workforce Investment Act - Adult			93,909
Workforce Investment Act - Adult Administrative			<u>9,304</u>
Workforce Investment Act - Adult Total	17.258	34-6400-345	103,213
Workforce Investment Act - Youth	17.259	34-6400-345	127,841
Workforce Investment Act - Youth Administrative			<u>4,144</u>
Workforce Investment Act - Youth Total			131,985
Workforce Investment Act - Dislocated Worker			81,598
Workforce Investment Act - Dislocated Worker Administrative			<u>9,591</u>
Workforce Investment Act - Dislocated Worker Total	17.260	34-6400-345	91,189
Workforce Investment Act - Rapid Response	17.260	34-6400-345	<u>43,060</u>
Workforce Investment Act - Veteran Services Training Program	17.802	34-6400-345	<u>2,000</u>
Total WIA Cluster			371,447
Employment Service	17.207	34-6400-345	<u>110,611</u>
Total United States Department of Labor			<u>482,058</u>
United States Department of Health and Human Services:			
Passed-through Ohio Department of Mental Retardation and Development Disabilities:			
Title XX	93.667	N/A	44,434
Title XXI	93.767	N/A	3,445
Medical Assistance Program	93.778	N/A	413,596
Targeted Case Management	93.778	N/A	242,669
Waiver Administration	93.778	N/A	<u>30,005</u>
Total U.S. Department of Health and Human Services			<u>734,149</u>

KNOX COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Federal Program	CFDA #	Pass-through Agency Awarding Number	Disbursements
United States Department of Homeland Security:			
Passed through Ohio Department of Public Safety:			
FEMA - Public Assistance Grant	97.036	N/A	299,211
Emergency Management Performance Grant	97.042	EMC-2004-GR-7007	28,786
State Homeland Security Program	97.073	DR.1519-OH/2004	71,222
Citizen Corp	97.053	N/A	8,595
Pre-Disaster Mitigation Grant	97.047	N/A	3,034
State Domestic Preparedness Equipment Support Program	97.004	2004-GE-T4-0025	<u>82,593</u>
Total U.S. Department of Homeland Security			<u>493,441</u>
United States Department of Justice:			
Passed through the Ohio Attorney General:			
Victims of Crime Assistance	16.575	2004VAGENE334	25,102
Passed through the Ohio Department of Youth Services:			
Juvenile Accountability Incentive Block Grant	16.523	2004-JB-002-B015	733
Passed through the Ohio Office of Criminal Justice Services:			
Byrne Formula Grant	16.579	2004-DG-F01-7369	<u>85,580</u>
Total U.S. Department of Justice			<u>111,415</u>
United States Department of Housing and Urban Development:			
Passed through Ohio Department of Development:			
HOME Investment Partnerships Program	14.239	BC-02-039-2	43,954
		BC-03-039-2	<u>21,884</u>
Total HOME Investment Partnerships Program			65,838
Community Development Block Grant / State's Program	14.228	BC-02-039-1	105,446
		BF-03-039-1	69,264
		BF-03-039-1	6,282
		BC-04-039-1	43,944
		BF-04-039-1	<u>142,139</u>
Total Community Development Block Grant / State's Program			<u>367,075</u>
Total U.S. Department of Housing and Urban Development			<u>432,913</u>
Total			<u>\$ 5,458,267</u>

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

KNOX COUNTY

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2005**

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 was recorded as a disbursement on the Schedule of Federal Awards Expenditures (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, 2005, the gross amount of loans outstanding under this program was \$111,583.

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.

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Auditor of State Betty Montgomery

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

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 27, 2006. 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 to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the County's management dated June 27, 2006, we reported other matters related to noncompliance we deemed immaterial.

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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. In a separate letter to the County's management dated June 27, 2006, we reported other matters related to noncompliance we deemed immaterial.

Knox County
Independent Accountants' Report on Internal Control Over
Financial Reporting and On Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

June 27, 2006



Auditor of State Betty Montgomery

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

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 type 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, 2005. The summary of auditor's result 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 the 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, 2005. Also, in a separate letter to the County's management dated June 27, 2006, we reported a matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2005, and have issued our report thereon dated June 27, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of federal awards expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 27, 2006

KNOX COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 20.106 – Airport Improvement Grant CFDA # 20.205 – Highway Planning and Construction Grant CFDA # 17.207 – Employment Service
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

KNOX COUNTY

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Ohio Admin Code Section 117-5-01 and Auditor of State Bulletin 2000-008 – funds shall be established by each county based on statutory requirements and accounting needs. Also, when the local government or residents are beneficiaries under an on-behalf-of grant agreement, the revenue and expenditures should be recorded as memorandum items on the County’s ledgers.	Partially	In 2005, the County Engineer established a fund for grant programs and reported some transactions, however, not all receipts and expenditures for on-behalf-of programs were recorded as memorandum items on the County’s ledgers. This comment was reissued as a management letter comment.
2004-002	44 C. F. R. Section 206.203 – reimbursements for Federal Emergency Management Agency projects were not properly accounted for in accordance with applicable FEMA agreements.	Yes	N/A

*County Seat
Mount Vernon, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2005

*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 27, 2006

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, 2005. 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, 2005. The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of Knox County with comprehensive financial data in a format that will enable them to gain a true understanding of the County's financial affairs. The general public as well as investors will be able to compare the financial position of Knox County and the results of its operations with other governmental entities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County, specifically the County Auditor's Office.

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

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

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 2005

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

The County Auditor is elected to a four year term and has as one of her most important functions, the task of assessing real property for tax purposes. Under state law, a complete reappraisal must be conducted every six years as well as a triennial update every third year between reappraisals. After the County Treasurer collects taxes, the County Auditor is responsible for distributing certain taxes to various government units. The Auditor is also the chief fiscal officer of the County, and no County contract or obligation may be made without her certification that funds for that contract or obligation have been lawfully appropriated, are available for payment, or are in the process of collection. In addition, no account may be paid except by the Auditor's warrant drawn upon the County treasury. The Auditor is responsible for the County payroll and has other statutory accounting responsibilities. The Auditor is also in charge of the County's bond retirement fund. She is, by state law, secretary of the County Board of Revision and the County Budget Commission, and the administrator and supervisor of the County Data Processing Board. In 2005, the Auditor employed nine full-time and one part-time employee.

The County Treasurer is required by state law to collect certain locally assessed taxes. She is the distributing agent for expenditures authorized by the Board upon the Auditor's warrant. The Treasurer must make daily reports showing receipt, payments and balances to the County Auditor, and the books of account must always balance with those of the County Auditor. The Treasurer is responsible for investing all funds of the County. The Treasurer is elected to a four year term and in 2005 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 2005, 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 an increase of 317 documents over 2004 with a total of 16,242 documents recorded in 2005.

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 2005

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

The County Sheriff is elected to a four year term and is the head of six divisions. Twenty full-time employees make up the Patrol Division which provides protection for a total of 532 square miles of Knox County. The twelve full-time employees of the Communications Division handle Enhanced 9-1-1 dispatching and are responsible for all communications for Knox County. The Detective Division consists of five full-time employees who are responsible for investigating all major criminal cases in Knox County. The Jail Division consists of twenty-eight 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 seven full-time employees and received 1,127 cases filed in 2005. The Title Division has three full-time employees, with a main function to issue vehicle titles, which serve as a person's only proof of ownership. In 2005, 23,304 titles were issued, a 2.6% decrease over 2004.

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

The Knox County Common Pleas Probate and Juvenile Judge is elected to a six year term and is responsible for hearing all probate and juvenile cases. In 2005, the estate cases totaled 309, which was an increase of 11 cases over 2004. Overall cases filed in Probate Court totaled 918 in 2005, which was an increase of 71 over 2004. In 2005, the Juvenile Court cases filed totaled 1,265, which was an increase of 78 over 2004. 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.

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 2005

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 2005, totaled 34,776, a six percent decrease over 2004.

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

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2005***

Economic Condition and Outlook

The year of 2005 did not start out as a good year. The area was first hit with a severe ice storm and no electricity for days for many citizens. Then the ice melted and we had to deal with flooding.

There were many concerns as the largest manufacturing company in the County, Rolls Royce, experienced labor problems early in the year. The union did strike for three weeks before a settlement could be reached. Later in 2005, Rolls Royce announced the closing of the machine shop at the Mount Vernon facility, but that the machine shop is not the “core” service they provide. This affects about 60 employees.

Unlike the shaky start of the year for Rolls Royce, the potential business growth in and around the City of Mount Vernon is very good. Three older buildings were purchased and plans are to remodel for new businesses. Central Ohio Technical College is expanding to downtown Mount Vernon, which will bring more customers to the downtown stores. The College plans to have expanded classrooms in the Village of Fredericktown, also.

There have been many heated discussions throughout Knox County regarding housing and new subdivisions. The City of Mount Vernon (Council) denied an annex of property, which the owners appealed the decision to the Knox County Common Pleas Court. The Court ruled in favor of the property owners, which effectively annexed the property into the City of Mount Vernon. Clinton Township Trustees approved a rezoning of 142 acres for planned housing and the township residents successfully petitioned a referendum and overturned the rezoning. Hilliar Township approved a 200 plus housing subdivision, which will take place over the next two to five years. Danville Village was an entity under Union Township and in 2005, petitioned the County Commissioners to become their own entity.

Under retail, the local Wal-Mart opened the expanded superstore in August of 2005, which adds another grocery store to Knox County. Knox County Hospice completed their new facility on Coshocton Road and opened their doors in early 2006. Knox Community Hospital added a new facility, located behind the hospital, which holds several departments. It is named the Knox Medical Pavilion, housing the first radiation therapy center with outpatient diagnostic center, women’s health center and medical offices. It officially opened in summer of 2006.

Employee Relations

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

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 2005

The Department of Human Services has sixty-five members in the A.F.S.C.M.E. Local 657. This contract commenced on July 1, 2004 for a three-year period and expires on June 30, 2006.

The Emergency Management 9-1-1 has twenty-two members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract commenced January 1, 2004 for a three-year period. It expires on December 31, 2006. The remaining departments along with department heads are not represented by any union.

Major Initiatives

Many people in the Knox County area did not realize the affect that Hurricane Katrina would have locally, until some projects were delayed because of the lack of materials. This was the case in the building of a new Animal Shelter. It was to be completed in late December, 2005, but the contractor was not able to get the heating and cooling for the building with the shortage of units. The Animal Shelter is now scheduled to be completed in June, 2006.

The proposed bike path that was started in 2005 connecting the City of Mount Vernon with the Village of Centerburg, seems to be progressing. 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.

In 2006, the Knox County Board of Elections replaced the old voting machines with new optical scanning systems. The new machines are to be easier to program, can be used in any precinct and provide paper trail for recounts. Some of the money to purchase these machines was from the Federal Government. They were first used in the May primary.

The Knox County Board of Commissioners have many projects planned for 2006. The Knox County Memorial Theater is in desperate need of renovations and repairs. They plan to complete those updates by the end of summer in 2006. Many organizations use the 1,000 plus seats for fundraisers and entertainment. The Board of Commissioners purchased the Old Central High School, located behind the Knox County Courthouse. This building was being leased from the Mount Vernon City School District for use by the Knox County Juvenile Court. The court used it for various juvenile detention and classes for troubled youth. With the cuts in state grants, the Knox County Recycling program was stopped in September, 2005. In an effort to keep recycling in Knox County, the Board of Commissioners bid that service out to the private sector. The Knox County Regional Planning Commission revised the County Comprehensive Plan. The plan was completed originally in 2000 and was called Focus 2100. As projects were completed, there was a need to update and do some revisions to the plan. It is now available from the Regional Planning Office.

The Knox County Clerk of Courts is reviewing their computer system to complete a major upgrade to the current system. The system was purchased in 1986 and there have been no major upgrades within the nineteen years the County has owned it. The Auditor and Treasurer Offices are looking at a major change in the Real Estate, Personal Property, Manufactured Home and Computer Assisted Mass Appraisal (CAMA) systems in 2007.

***Letter of Transmittal
For the Year Ended December 31, 2005***

Cash Management

During the year ended December 31, 2005, 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 hired an 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 2005 was \$800,549.

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.

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, 2005, by our independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133, 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.

***Letter of Transmittal
For the Year Ended December 31, 2005***

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, 2004. 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 fifteen 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.

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

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

Sincerely,



Margaret Ann Ruhl,
Knox County Auditor

KNOX COUNTY, OHIO

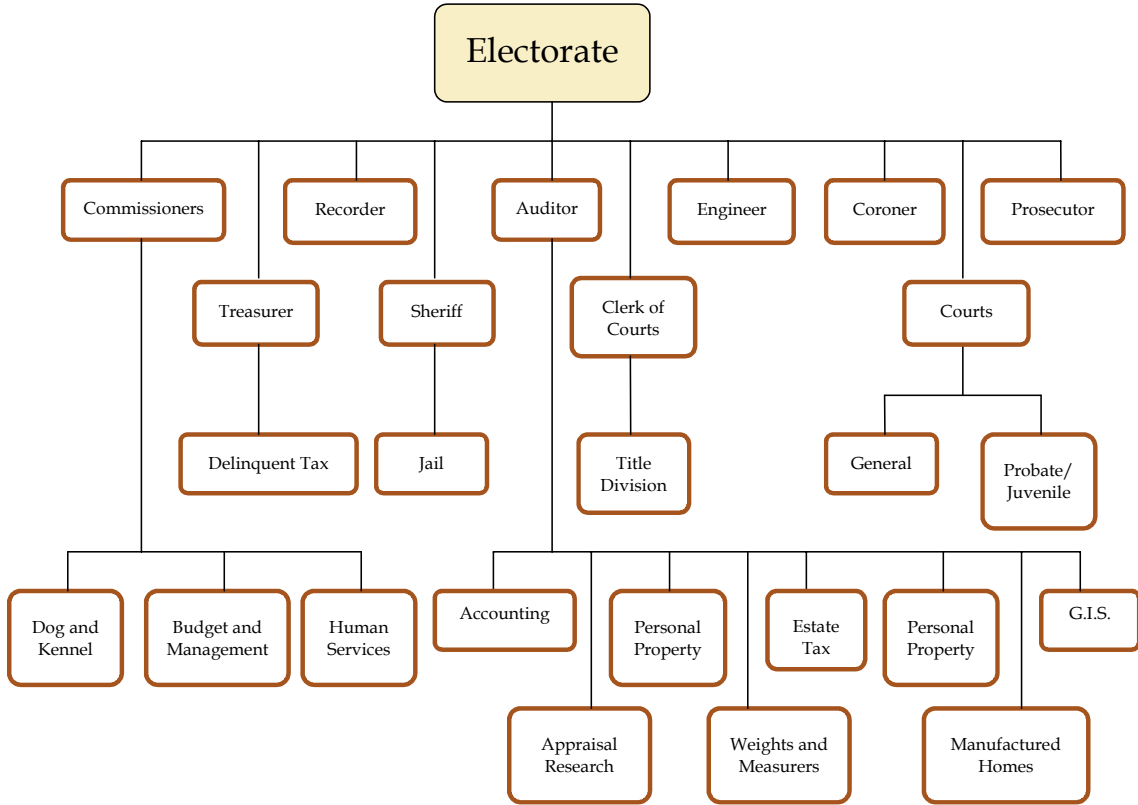
*List of Elected Officials
For the Year Ended December 31, 2005*

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, 2005**



Statutory Boards and Committees

County Budget Commission
 Auditor *
 Treasurer
 Prosecutor

Board of Elections
 Data Board
 Veterans Commission

* Serve as Secretary

Appointed Board

Board of Revision
 Auditor *
 Treasurer
 Commissioners

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, 2004

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.



Carla E. Fudge

President

Jeffrey R. Emer

Executive Director



FINANCIAL SECTION





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Knox County, Ohio, as of December 31, 2005, 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 27, 2006, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

Betty Montgomery
Auditor of State

June 27, 2006

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, 2005. 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 2005 are as follows:

- ❑ In total, net assets increased \$1,307,844. Net assets of governmental activities increased \$1,069,822, which represents a 1.7% increase from 2004. Net assets of business-type activities increased \$238,022 or 7.8% from 2004.
- ❑ General revenues accounted for \$17,906,646 in revenue or 48.9% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$18,705,624 or 51.1% of total revenues of \$36,612,270.
- ❑ The County had \$34,073,978 in expenses related to governmental activities; only \$17,297,799 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 \$12,715,366 in revenues and \$11,890,808 in expenditures. The general fund's fund balance decreased \$789,179 to a balance of \$2,295,174. This decrease is attributable to an increase in expenditures for wages and benefits and a transfer of \$750,000 to the Permanent Improvement Fund for the construction of a new animal shelter.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

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 2005 compared to 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$31,224,050	\$31,775,812	\$2,211,478	\$1,994,470	\$33,435,528	\$33,770,282
Capital assets, Net	55,021,667	53,480,250	2,934,780	3,049,865	57,956,447	56,530,115
Total assets	86,245,717	85,256,062	5,146,258	5,044,335	91,391,975	90,300,397
Long-term liabilities outstanding	11,998,664	12,485,143	1,831,520	1,962,392	13,830,184	14,447,535
Other liabilities	9,715,699	9,309,387	36,969	42,196	9,752,668	9,351,583
Total liabilities	21,714,363	21,794,530	1,868,489	2,004,588	23,582,852	23,799,118
Net assets						
Invested in capital assets, net of related debt	43,886,006	41,903,085	2,865,970	2,979,054	46,751,976	44,882,139
Restricted	15,671,783	16,527,301	0	0	15,671,783	16,527,301
Unrestricted	4,973,565	5,031,146	411,799	60,693	5,385,364	5,091,839
Total net assets	\$64,531,354	\$63,461,532	\$3,277,769	\$3,039,747	\$67,809,123	\$66,501,279

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KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2005 compared to 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,394,846	\$3,247,224	\$1,262,302	\$1,143,970	\$4,657,148	\$4,391,194
Operating Grants and Contributions	12,593,812	14,788,683	0	0	12,593,812	14,788,683
Capital Grants and Contributions	1,309,141	1,547,194	145,523	168,456	1,454,664	1,715,650
Total Program Revenues	17,297,799	19,583,101	1,407,825	1,312,426	18,705,624	20,895,527
General Revenues:						
Property Taxes	7,898,748	7,302,611	0	0	7,898,748	7,302,611
Sales Taxes	5,262,248	4,808,365	0	0	5,262,248	4,808,365
Intergovernmental Revenues, Unrestricted	1,849,740	1,943,098	0	0	1,849,740	1,943,098
Investment Earnings	734,177	413,663	0	0	734,177	413,663
Miscellaneous	2,161,733	2,025,165	0	0	2,161,733	2,025,165
Total General Revenues	17,906,646	16,492,902	0	0	17,906,646	16,492,902
Total Revenues	35,204,445	36,076,003	1,407,825	1,312,426	36,612,270	37,388,429
Program Expenses						
General Government						
Legislative and Executive	7,064,829	7,278,991	0	0	7,064,829	7,278,991
Judicial	2,039,252	1,934,458	0	0	2,039,252	1,934,458
Public Safety	6,043,282	5,733,059	0	0	6,043,282	5,733,059
Public Works	5,712,117	5,427,085	0	0	5,712,117	5,427,085
Health	395,115	478,172	0	0	395,115	478,172
Human Services	12,266,056	12,136,393	0	0	12,266,056	12,136,393
Interest and Fiscal Charges	553,327	584,434	0	0	553,327	584,434
Sewer	0	0	1,230,448	1,070,213	1,230,448	1,070,213
Total Expenses	34,073,978	33,572,592	1,230,448	1,070,213	35,304,426	34,642,805
Change in Net Assets Before Transfers	1,130,467	2,503,411	177,377	242,213	1,307,844	2,745,624
Transfers	(60,645)	(70,875)	60,645	70,875	0	0
Total Change in Net Assets	1,069,822	2,432,536	238,022	313,088	1,307,844	2,745,624
Beginning Net Assets	63,461,532	61,028,996	3,039,747	2,726,659	66,501,279	63,755,655
Ending Net Assets	\$64,531,354	\$63,461,532	\$3,277,769	\$3,039,747	\$67,809,123	\$66,501,279

Governmental Activities

Net assets of the County's governmental activities increased by \$1,069,822. This was due mainly to increases in sales tax and interest earnings on investments. Operating grants and contributions, which represent the largest program revenue totaled \$12,593,812. The major recipients of these program specific grants were Job and Family Services, Children's Services and the Mental Health Services Board. The decrease in intergovernmental revenue was the result of decreases in state and federal grant monies received for public assistance.

KNOX COUNTY, OHIO

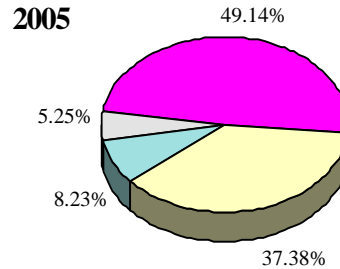
**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Tax revenue accounts for \$13,160,996 of the \$35,204,445 in total revenues for governmental activities. Sales tax accounted for \$5,262,248, or approximately 40.0% of total tax revenue.

The County's direct charges to users of governmental services totaled \$3,394,846. This amount represents 9.6% of total revenues for governmental activities and 19.6% of program specific revenues.

Revenue Sources	2005	Percent of Total
Intergovernmental Revenues	\$1,849,740	5.25%
Program Revenues	17,297,799	49.14%
General Tax Revenues	13,160,996	37.38%
General Other	2,895,910	8.23%
Total Revenue	\$35,204,445	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$238,022. This is attributable to increases in charges received for water and wastewater treatment. These programs had revenues of \$1,407,825 and expenses of \$1,230,448 for fiscal year 2005. 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 \$15,093,685 which is lower than last year's total of \$16,261,331. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2005 and 2004.

	Fund Balance December 31, 2005	Fund Balance December 31, 2004	Increase (Decrease)
General	\$2,295,174	\$3,084,353	(\$789,179)
Public Assistance	2,418,564	2,795,179	(376,615)
Motor Vehicle and Gasoline Tax	507,012	945,892	(438,880)
Children Services Board	2,828,074	2,355,778	472,296
Mental Retardation	1,215,385	1,476,805	(261,420)
Other Governmental	5,829,476	5,603,324	226,152
Total	\$15,093,685	\$16,261,331	(\$1,167,646)

KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

General Fund – The County's General Fund balance decreased from 2004 to 2005. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2005	2004	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$7,727,043	\$7,122,782	\$604,261
Intergovernmental Revenues	1,546,183	1,498,729	47,454
Charges for Services	1,816,603	1,972,428	(155,825)
Licenses and Permits	5,563	5,919	(356)
Investment Earnings	672,283	382,694	289,589
Fines and Forfeitures	63,330	51,346	11,984
All Other Revenue	884,361	686,154	198,207
Total	<u>\$12,715,366</u>	<u>\$11,720,052</u>	<u>\$995,314</u>

General Fund revenues in 2005 increased approximately 8.5% compared to revenues in fiscal year 2004. This increase is primarily the result of increases in taxes. Tax revenues increased as a result of new construction within the county. Investment earnings increased with more taxes available to invest and an increase in interest rates over the past year. All Other Revenue increased because of commissions the County receives on the Recycling Center.

	2005	2004	Increase
	Expenditures	Expenditures	(Decrease)
General Government:			
Legislative and Executive	\$5,284,525	\$5,197,051	\$87,474
Judicial	1,826,616	1,698,737	127,879
Public Safety	3,526,259	3,339,178	187,081
Public Works	192,429	118,213	74,216
Health	147,609	224,308	(76,699)
Human Services	569,613	561,220	8,393
Capital Outlay	341,959	353,430	(11,471)
Debt Service:			
Principal Retirement	1,701	1,586	115
Interst and Fiscal Charges	97	212	(115)
Total	<u>\$11,890,808</u>	<u>\$11,493,935</u>	<u>\$396,873</u>

Expenditures increased by \$396,873 or 3.5% over the prior year. This is mainly the result of increases in the legislative and executive and public safety functions. The increase in legislative and executive was the result of repairs to the court house and memorial building. The increase in public safety was the result of a full year of operations of the new jail facility. In addition to the above expenditures there was a transfer of \$750,000 to the Permanent Improvement Fund for the construction of a new animal shelter

Public Assistance Fund – The County's Public Assistance Fund balance decreased by 13.4%. This decrease in fund balance was the result of decreases in state and federal grant monies received.

KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2005**

Unaudited

Motor Vehicle and Gasoline Tax Fund – The County's Motor Vehicle and Gasoline Tax Fund balance decreased by 46%. This decrease in fund balance was the result of increases in street and road projects.

Children Services Board Fund – The fund balance reported in the Children Services Board Fund increased by 20%. The increase was the result of a significant decrease in operating expenditures.

Mental Retardation Fund – The fund balance reported in the Mental Retardation Fund decreased by 17.7%. This decrease in fund balance was the result of State funding cuts.

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 2005 the County amended its General Fund budget several times. The only significant change was an increase in transfers out for a transfer to the Permanent Improvement Fund for the construction of an animal shelter. The \$1.2 million positive variance with the final budget was the result of a combination of factors including less than anticipated expenditures for outside legal counsel and health insurance expenses and the postponement to 2006 of renovations of the memorial building.

For the General Fund, budget basis revenue of \$12.1 million did not change over the original budget estimates of \$12.1 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005 the County had \$57,956,447 net of accumulated depreciation invested in land, buildings, equipment, vehicles and infrastructure. Of this total, \$55,021,667 was related to governmental activities and \$2,934,780 to the business-type activities. The following table shows fiscal 2005 and 2004 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land	\$3,511,122	\$3,511,122	\$0
Construction in Progress	731,030	0	731,030
Capital Assets not Being Depreciated	4,242,152	3,511,122	731,030
Buildings and Improvements	24,865,870	24,900,083	(34,213)
Vehicles	2,601,100	2,622,849	(21,749)
Machinery and Equipment	3,952,628	3,698,160	254,468
Computer Equipment	957,130	919,818	37,312
Infrastructure	43,267,762	41,619,537	1,648,225
Capital Assets Being Depreciated	75,644,490	73,760,447	1,884,043
Less: Accumulated Depreciation	(24,864,975)	(23,791,319)	(1,073,656)
Totals	\$55,021,667	\$53,480,250	\$1,541,417

KNOX COUNTY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2005****Unaudited**

The primary increases occurred in infrastructure, which consists of the street and bridge projects the County is involved in. The County also began the construction on a new animal shelter.

	Business-Type Activities		Increase (Decrease)
	2005	2004	
Land	\$236,839	\$236,839	\$0
Capital Assets Not Being Depreciated	236,839	236,839	0
Buildings and Improvements	841,527	841,527	0
Vehicles	172,265	172,265	0
Machinery and Equipment	1,066,787	1,066,787	0
Computer Equipment	40,213	40,213	0
Sewer Lines	2,009,927	2,009,927	0
Capital Assets Being Depreciated	4,130,719	4,130,719	0
Less: Accumulated Depreciation	(1,432,778)	(1,317,693)	(115,085)
Totals	\$2,934,780	\$3,049,865	(\$115,085)

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

Debt

At December 31, 2005, the County had \$10.9 million in general obligation bonds outstanding, \$530,000 due within one year. The following table summarizes the County's debt outstanding as of December 31, 2005 and 2004:

	2005	2004
Governmental Activities:		
General Obligation Bonds	\$10,910,000	\$11,420,000
Special Assessment Bonds	0	90,000
OPWC Loan Payable	29,434	32,704
Installment Note Payable	60,000	120,000
Capital Leases Payable	136,227	4,461
Compensated Absences	863,003	817,978
Total Governmental Activities	11,998,664	12,485,143
Business-Type Activities:		
OWDA Loan Payable	68,810	70,811
Landfill Postclosure Care Liability	1,737,321	1,861,422
Compensated Absences	25,389	30,159
Total Business-Type Activities	1,831,520	1,962,392
Totals	\$13,830,184	\$14,447,535

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2006 budget is a very conservative one based on information received early in the year from the State legislature. Knox County's portion of State based revenue may be affected by the economic conditions. Specifically, the State legislature is freezing the monies allocated to local governments for the local government fund and local government revenue assistance fund for 2006. Other 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.

The County completed their triannual update of real estate resulting in a 25% increase in land value and a 5% increase in structure value.

Knox County's economy has been resilient in contrast to other counties in the State of Ohio. Sales tax revenue increased, even though modestly, in 2005, as it has for almost two decades, while many other state and national counties suffered losses. The key factor is the increasing County retail market and its diversified commercial and industrial economic base. Residential new construction continues to grow due, in part, to location and healthy job market.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Margaret Ann Ruhl, Auditor of Knox County.



KNOX COUNTY, OHIO

**Statement of Net Assets
December 31, 2005**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport
Assets:					
Cash and Cash Equivalents	\$ 14,692,807	\$ 1,736,044	\$ 16,428,851	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	87,426	15,652	103,078	63,629	308,582
Cash and Cash Equivalents with Fiscal Agent	277,684	0	277,684	907	735,818
Investments	981,013	0	981,013	286,096	0
Receivables:					
Taxes	8,236,877	0	8,236,877	0	0
Accounts	156,334	284,093	440,427	13,611	4,267
Intergovernmental	5,907,731	0	5,907,731	0	455,788
Interest	102,408	0	102,408	0	0
Special Assessments	8,912	101,311	110,223	0	0
Loans	102,532	0	102,532	0	0
Due from Component Unit	34,012	0	34,012	0	0
Loans Receivable from Component Unit	223,576	0	223,576	0	0
Inventory of Supplies	336,224	68,508	404,732	1,058	10,625
Prepaid Items	76,514	5,870	82,384	0	0
Capital Assets not Being Depreciated	4,242,152	236,839	4,478,991	0	3,025,432
Capital Assets Being Depreciated, net	50,779,515	2,697,941	53,477,456	33,349	1,192,646
Total Assets	86,245,717	5,146,258	91,391,975	398,650	5,733,158
Liabilities:					
Accounts Payable	886,904	420	887,324	1,195	39,167
Accrued Wages and Benefits	525,340	15,902	541,242	3,428	0
Intergovernmental Payable	426,910	11,877	438,787	0	0
Contracts Payable	285,860	8,770	294,630	0	455,788
Claims Payable	330,059	0	330,059	0	0
Matured Bonds and Interest Payable	48,379	0	48,379	0	0
Due to Primary Government	0	0	0	0	34,012
Unearned Revenue	7,163,022	0	7,163,022	0	0
Accrued Interest Payable	49,225	0	49,225	0	0
Long Term Liabilities:					
Due Within One Year	1,219,839	88,118	1,307,957	0	42,350
Due in More Than One Year	10,778,825	1,743,402	12,522,227	0	1,074,626
Total Liabilities	21,714,363	1,868,489	23,582,852	4,623	1,645,943
Net Assets:					
Invested in Capital Assets, Net of Related Debt	43,886,006	2,865,970	46,751,976	33,349	3,344,679
Restricted For:					
Public Safety	2,283,294	0	2,283,294	0	0
Public Works	2,357,764	0	2,357,764	0	0
Human Services	6,655,437	0	6,655,437	0	0
Capital Projects	1,583,113	0	1,583,113	0	0
Debt Service	586,881	0	586,881	0	0
Other Purposes	2,205,294	0	2,205,294	19,657	0
Unrestricted	4,973,565	411,799	5,385,364	341,021	742,536
Total Net Assets	\$ 64,531,354	\$ 3,277,769	\$ 67,809,123	\$ 394,027	\$ 4,087,215

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Activities
For the Year Ended December 31, 2005**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 7,064,829	\$ 1,465,367	\$ 132,427	\$ 583,326
Judicial	2,039,252	614,890	7,452	0
Public Safety	6,043,282	723,825	501,297	0
Public Works	5,712,117	121,981	5,037,293	725,815
Health	395,115	151,504	88,494	0
Human Services	12,266,056	317,279	6,826,849	0
Interest and Fiscal Charges	553,327	0	0	0
Total Governmental Activities	34,073,978	3,394,846	12,593,812	1,309,141
Business-Type Activities:				
Sewer District Fund	1,230,448	1,262,302	0	145,523
Total Business-Type Activities	1,230,448	1,262,302	0	145,523
Total Primary Government	\$ 35,304,426	\$ 4,657,148	\$ 12,593,812	\$ 1,454,664
Component Units:				
Knox New Hope Industries	\$ 172,846	\$ 133,214	\$ 0	\$ 2,909
Knox County Airport	779,520	261,908	40,000	2,633,447
Total Component Units	\$ 952,366	\$ 395,122	\$ 40,000	\$ 2,636,356

General Revenues

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

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport	
\$ (4,883,709)	\$ 0	\$ (4,883,709)			
(1,416,910)	0	(1,416,910)			
(4,818,160)	0	(4,818,160)			
172,972	0	172,972			
(155,117)	0	(155,117)			
(5,121,928)	0	(5,121,928)			
(553,327)	0	(553,327)			
<u>(16,776,179)</u>	<u>0</u>	<u>(16,776,179)</u>			
0	177,377	177,377			
0	177,377	177,377			
<u>(16,776,179)</u>	<u>177,377</u>	<u>(16,598,802)</u>			
			\$ (36,723)	\$ 0	
			<u>0</u>	<u>2,155,835</u>	
			<u>(36,723)</u>	<u>2,155,835</u>	
3,784,744	0	3,784,744	0	0	
4,114,004	0	4,114,004	0	0	
5,262,248	0	5,262,248	0	0	
1,849,740	0	1,849,740	0	0	
734,177	0	734,177	15,510	7,768	
0	0	0	(2,878)	0	
0	0	0	34,947	0	
2,161,733	0	2,161,733	477	15,021	
(60,645)	60,645	0	0	0	
<u>17,846,001</u>	<u>60,645</u>	<u>17,906,646</u>	<u>48,056</u>	<u>22,789</u>	
1,069,822	238,022	1,307,844	11,333	2,178,624	
63,461,532	3,039,747	66,501,279	382,694	1,908,591	
<u>\$ 64,531,354</u>	<u>\$ 3,277,769</u>	<u>\$ 67,809,123</u>	<u>\$ 394,027</u>	<u>\$ 4,087,215</u>	

KNOX COUNTY, OHIO

**Balance Sheet
Governmental Funds
December 31, 2005**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Assets:			
Cash and Cash Equivalents	\$ 1,449,734	\$ 1,439,253	\$ 163,866
Cash and Cash Equivalents in Segregated Accounts	16,538	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Investments	981,013	0	0
Receivables:			
Taxes	4,069,289	0	0
Accounts	83,076	4,742	110
Intergovernmental	710,308	1,613,830	2,322,685
Interest	95,141	0	1,134
Special Assessments	0	0	0
Loans	0	0	0
Due from Other Funds	34,215	0	0
Interfund Receivable	2,000	50,000	0
Due from Component Unit	34,012	0	0
Loan Receivable from Component Unit	223,576	0	0
Inventory of Supplies	3,237	0	332,987
Prepaid Items	52,094	9,550	0
Total Assets	\$ 7,754,233	\$ 3,117,375	\$ 2,820,782
Liabilities:			
Accounts Payable	\$ 363,354	\$ 79,427	\$ 267,895
Accrued Wages and Benefits Payable	195,844	75,457	50,333
Intergovernmental Payable	175,434	58,095	39,209
Contracts Payable	49,953	102,430	0
Matured Bonds and Interest Payable	0	0	0
Due to Other Funds	127,476	5,885	0
Interfund Payable	0	0	0
Deferred Revenue	4,546,998	377,517	1,956,333
Total Liabilities	5,459,059	698,811	2,313,770
Fund Balances:			
Reserved for Encumbrances	333,872	445,444	4,727
Reserved for Supplies Inventory	3,237	0	332,987
Reserved for Debt Service	0	0	0
Reserved for Loans Receivable	0	0	0
Reserved for Due From Component Unit	34,012	0	0
Reserved for Loan Receivable from Component Unit	223,576	0	0
Undesignated, Unreserved in:			
General Fund	1,700,477	0	0
Special Revenue Funds	0	1,973,120	169,298
Capital Projects Funds	0	0	0
Total Fund Balances	2,295,174	2,418,564	507,012
Total Liabilities and Fund Balances	\$ 7,754,233	\$ 3,117,375	\$ 2,820,782

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 2,933,148	\$ 1,449,212	\$ 5,652,909	\$ 13,088,122
0	0	70,888	87,426
0	0	37,221	37,221
0	0	0	981,013
992,845	1,429,411	1,745,332	8,236,877
0	1,414	35,666	125,008
52,281	66,984	1,141,643	5,907,731
0	0	274	96,549
0	0	8,912	8,912
0	0	102,532	102,532
0	0	127,476	161,691
0	0	16,000	68,000
0	0	0	34,012
0	0	0	223,576
0	0	0	336,224
0	12,663	2,207	76,514
<u>\$ 3,978,274</u>	<u>\$ 2,959,684</u>	<u>\$ 8,941,060</u>	<u>\$ 29,571,408</u>
\$ 65,434	\$ 28,553	\$ 82,241	\$ 886,904
21,597	107,807	74,302	525,340
16,748	80,799	56,625	426,910
5,202	34,241	94,034	285,860
0	0	48,379	48,379
0	0	28,330	161,691
0	0	68,000	68,000
1,041,219	1,492,899	2,659,673	12,074,639
<u>1,150,200</u>	<u>1,744,299</u>	<u>3,111,584</u>	<u>14,477,723</u>
14,466	94,849	552,699	1,446,057
0	0	0	336,224
0	0	636,106	636,106
0	0	102,532	102,532
0	0	0	34,012
0	0	0	223,576
0	0	0	1,700,477
2,813,608	1,120,536	3,718,517	9,795,079
0	0	819,622	819,622
<u>2,828,074</u>	<u>1,215,385</u>	<u>5,829,476</u>	<u>15,093,685</u>
<u>\$ 3,978,274</u>	<u>\$ 2,959,684</u>	<u>\$ 8,941,060</u>	<u>\$ 29,571,408</u>

KNOX COUNTY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2005***

Total Governmental Fund Balances \$ 15,093,685

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

Capital Assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 55,021,667

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds. 4,911,617

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. 1,552,274

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the funds.

General Obligation Bonds Payable	(10,910,000)	
Ohio Public Works Commission Loan Payable	(29,434)	
Compensated Absences Payable	(863,003)	
Capital Lease Payable	(136,227)	
Installment Note Payable	(60,000)	
Accrued Interest Payable	(49,225)	(12,047,889)
		<hr/>

Net Assets of Governmental Activities \$ 64,531,354

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, 2005**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Revenues:			
Taxes	\$ 7,727,043	\$ 0	\$ 0
Intergovernmental Revenues	1,546,183	3,984,564	4,695,269
Charges for Services	1,816,603	0	17,261
Licenses and Permits	5,563	0	0
Investment Earnings	672,283	0	11,460
Special Assessments	0	0	0
Fines and Forfeitures	63,330	0	8,676
All Other Revenue	884,361	365,089	106,069
Total Revenue	12,715,366	4,349,653	4,838,735
Expenditures:			
Current:			
General Government:			
Legislative and Executive	5,284,525	0	0
Judicial	1,826,616	0	0
Public Safety	3,526,259	0	0
Public Works	192,429	0	5,355,745
Health	147,609	0	0
Human Services	569,613	4,623,108	0
Capital Outlay	341,959	0	0
Debt Service:			
Principal Retirement	1,701	0	5,105
Interest and Fiscal Charges	97	0	106
Total Expenditures	11,890,808	4,623,108	5,360,956
Excess (Deficiency) of Revenues Over Expenditures	824,558	(273,455)	(522,221)
Other Financing Sources (Uses):			
Inception of Capital Lease	0	0	135,302
Transfers In	89,870	200,000	0
Transfers Out	(1,703,607)	(303,160)	0
Total Other Financing Sources (Uses)	(1,613,737)	(103,160)	135,302
Net Change in Fund Balances	(789,179)	(376,615)	(386,919)
Fund Balances at Beginning of Year	3,084,353	2,795,179	945,892
Decrease in Inventory Reserve	0	0	(51,961)
Fund Balances End of Year	\$ 2,295,174	\$ 2,418,564	\$ 507,012

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 990,784	\$ 1,462,668	\$ 3,006,872	\$ 13,187,367
873,459	1,749,772	3,167,925	16,017,172
156,539	0	1,146,515	3,136,918
0	0	123,266	128,829
0	0	6,809	690,552
0	0	47,240	47,240
0	0	9,113	81,119
7,522	126,087	665,987	2,155,115
<u>2,028,304</u>	<u>3,338,527</u>	<u>8,173,727</u>	<u>35,444,312</u>
0	0	1,449,063	6,733,588
0	0	193,964	2,020,580
0	0	2,023,214	5,549,473
0	0	386,397	5,934,571
0	0	182,266	329,875
1,556,008	3,599,947	1,795,507	12,144,183
0	0	2,362,772	2,704,731
0	0	660,000	666,806
0	0	550,644	550,847
<u>1,556,008</u>	<u>3,599,947</u>	<u>9,603,827</u>	<u>36,634,654</u>
472,296	(261,420)	(1,430,100)	(1,190,342)
0	0	0	135,302
0	0	1,693,671	1,983,541
0	0	(37,419)	(2,044,186)
0	0	1,656,252	74,657
472,296	(261,420)	226,152	(1,115,685)
2,355,778	1,476,805	5,603,324	16,261,331
0	0	0	(51,961)
<u>\$ 2,828,074</u>	<u>\$ 1,215,385</u>	<u>\$ 5,829,476</u>	<u>\$ 15,093,685</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, 2005***

Net Change in Fund Balances - Total Governmental Funds \$ (1,115,685)

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

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

Capital Outlay	4,638,485	
Depreciation Expense	<u>(3,032,720)</u>	1,605,765

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. (64,348)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (283,492)

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

Inception of Capital Lease	(135,302)	
General Obligation Bond Principal Payment	510,000	
Special Assessment Bond Principal Payment	90,000	
Ohio Public Works Commission Principal Payment	3,270	
Capital Lease Principal Payment	3,536	
Installment Loan Principal Payment	<u>60,000</u>	531,504

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (2,480)

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	(45,025)	
Change in Inventory	<u>(51,961)</u>	(96,986)

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. 495,544

Change in Net Assets of Governmental Activities \$ 1,069,822

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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,346,852	\$ 7,346,852	\$ 7,732,086	\$ 385,234
Intergovernmental Revenues	1,510,000	1,510,000	1,538,731	28,731
Charges for Services	2,027,456	2,027,456	1,846,306	(181,150)
Licenses and Permits	6,075	6,075	5,563	(512)
Investment Earnings	375,000	375,000	725,542	350,542
Fines and Forfeitures	50,000	50,000	55,608	5,608
All Other Revenues	706,950	706,950	740,067	33,117
Total Revenues	<u>12,022,333</u>	<u>12,022,333</u>	<u>12,643,903</u>	<u>621,570</u>
Expenditures:				
General Government - Legislative and Executive	6,047,368	6,260,700	5,374,709	885,991
General Government - Judicial	1,849,305	1,894,177	1,852,852	41,325
Public Safety	3,380,121	3,552,907	3,520,913	31,994
Public Works	431,423	234,366	196,595	37,771
Health	155,070	156,520	148,320	8,200
Human Services	595,415	577,894	571,670	6,224
Conservation and Recreation	9,000	9,000	0	9,000
Capital Outlay	512,515	521,447	386,962	134,485
Total Expenditures	<u>12,980,217</u>	<u>13,207,011</u>	<u>12,052,021</u>	<u>1,154,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(957,884)	(1,184,678)	591,882	1,776,560
Other Financing Sources (Uses):				
Other Financing Uses	(249,576)	(205,980)	(142,287)	63,693
Transfers In	100,000	100,000	26,414	(73,586)
Transfers Out	(853,240)	(1,580,085)	(1,579,506)	579
Total Other Financing Sources (Uses)	<u>(1,002,816)</u>	<u>(1,686,065)</u>	<u>(1,695,379)</u>	<u>(9,314)</u>
Net Change in Fund Balance	(1,960,700)	(2,870,743)	(1,103,497)	1,767,246
Fund Balance at Beginning of Year	2,883,004	2,883,004	2,883,004	0
Prior Year Encumbrances	273,682	273,682	273,682	0
Fund Balance at End of Year	<u>\$ 1,195,986</u>	<u>\$ 285,943</u>	<u>\$ 2,053,189</u>	<u>\$ 1,767,246</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 5,000,000	\$ 5,000,000	\$ 2,309,253	\$ (2,690,747)
All Other Revenues	1,175,000	1,175,000	363,755	(811,245)
Total Revenues	<u>6,175,000</u>	<u>6,175,000</u>	<u>2,673,008</u>	<u>(3,501,992)</u>
Expenditures:				
Human Services	<u>7,845,762</u>	<u>7,845,762</u>	<u>5,245,489</u>	<u>2,600,273</u>
Total Expenditures	<u>7,845,762</u>	<u>7,845,762</u>	<u>5,245,489</u>	<u>2,600,273</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,670,762)	(1,670,762)	(2,572,481)	(901,719)
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(303,160)</u>	<u>96,840</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(103,160)</u>	<u>96,840</u>
Net Change in Fund Balance	(1,870,762)	(1,870,762)	(2,675,641)	(804,879)
Fund Balance at Beginning of Year	3,097,102	3,097,102	3,097,102	0
Prior Year Encumbrances	<u>413,562</u>	<u>413,562</u>	<u>413,562</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,639,902</u>	<u>\$ 1,639,902</u>	<u>\$ 835,023</u>	<u>\$ (804,879)</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 4,855,000	\$ 4,855,000	\$ 4,665,613	\$ (189,387)
Charges for Services	7,500	7,500	17,226	9,726
Investment Earnings	3,000	3,000	11,320	8,320
Fines and Forfeitures	17,000	17,000	8,676	(8,324)
All Other Revenues	41,500	41,500	106,731	65,231
Total Revenues	<u>4,924,000</u>	<u>4,924,000</u>	<u>4,809,566</u>	<u>(114,434)</u>
Expenditures:				
Public Works	<u>5,283,253</u>	<u>5,671,996</u>	<u>5,344,287</u>	<u>327,709</u>
Total Expenditures	<u>5,283,253</u>	<u>5,671,996</u>	<u>5,344,287</u>	<u>327,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359,253)	(747,996)	(534,721)	213,275
Fund Balance at Beginning of Year	207,666	207,666	207,666	0
Prior Year Encumbrances	359,253	359,253	359,253	0
Fund Balance at End of Year	<u>\$ 207,666</u>	<u>\$ (181,077)</u>	<u>\$ 32,198</u>	<u>\$ 213,275</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,176,300	\$ 1,176,300	\$ 990,784	\$ (185,516)
Intergovernmental Revenues	1,347,000	847,000	888,189	41,189
Charges for Services	210,100	210,100	161,550	(48,550)
All Other Revenues	105,000	105,000	7,768	(97,232)
Total Revenues	<u>2,838,400</u>	<u>2,338,400</u>	<u>2,048,291</u>	<u>(290,109)</u>
Expenditures:				
Human Services	<u>2,498,661</u>	<u>2,498,661</u>	<u>1,561,739</u>	<u>936,922</u>
Total Expenditures	<u>2,498,661</u>	<u>2,498,661</u>	<u>1,561,739</u>	<u>936,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	339,739	(160,261)	486,552	646,813
Other Financing Sources (Uses):				
Advances Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>	<u>300,000</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>	<u>300,000</u>
Net Change in Fund Balance	39,739	(460,261)	486,552	946,813
Fund Balance at Beginning of Year	2,413,376	2,413,376	2,413,376	0
Prior Year Encumbrances	<u>12,161</u>	<u>12,161</u>	<u>12,161</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,465,276</u>	<u>\$ 1,965,276</u>	<u>\$ 2,912,089</u>	<u>\$ 946,813</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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,766,700	\$ 1,299,174	\$ 1,462,668	\$ 163,494
Intergovernmental Revenues	1,650,000	3,356,739	1,559,110	(1,797,629)
All Other Revenues	260,136	428,037	138,586	(289,451)
Total Revenues	<u>3,676,836</u>	<u>5,083,950</u>	<u>3,160,364</u>	<u>(1,923,586)</u>
Expenditures:				
Human Services	<u>4,527,399</u>	<u>6,569,361</u>	<u>3,709,855</u>	<u>2,859,506</u>
Total Expenditures	<u>4,527,399</u>	<u>6,569,361</u>	<u>3,709,855</u>	<u>2,859,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(850,563)	(1,485,411)	(549,491)	935,920
Fund Balance at Beginning of Year	1,568,797	1,568,797	1,568,797	0
Prior Year Encumbrances	<u>83,559</u>	<u>83,559</u>	<u>83,559</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 801,793</u>	<u>\$ 166,945</u>	<u>\$ 1,102,865</u>	<u>\$ 935,920</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2005**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer District	Landfill	Total	Activities- Internal Service Fund
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 1,660,104	\$ 75,940	\$ 1,736,044	\$ 1,604,685
Cash and Cash Equivalents in Segregated Accounts	15,652	0	15,652	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	240,463
Receivables:				
Accounts	284,093	0	284,093	31,326
Interest	0	0	0	5,859
Special Assessments	101,311	0	101,311	0
Inventory of Supplies	68,508	0	68,508	0
Prepaid Items	5,870	0	5,870	0
Total Current Assets	2,135,538	75,940	2,211,478	1,882,333
Noncurrent Assets:				
Capital Assets not Being Depreciated	93,675	143,164	236,839	0
Capital Assets being Depreciated, net	2,697,941	0	2,697,941	0
Total Noncurrent Assets	2,791,616	143,164	2,934,780	0
Total Assets	4,927,154	219,104	5,146,258	1,882,333
Liabilities:				
Current Liabilities:				
Accounts Payable	420	0	420	0
Accrued Wages and Benefits	15,902	0	15,902	0
Intergovernmental Payable	11,877	0	11,877	0
Contracts Payable	8,770	0	8,770	0
Claims Payable	0	0	0	330,059
OWDA Loans Payable - Current	2,115	0	2,115	0
Landfill Postclosure Care Liability - Current	0	86,003	86,003	0
Total Current Liabilities	39,084	86,003	125,087	330,059
Noncurrent Liabilities				
Compensated Absences Payable	25,389	0	25,389	0
OWDA Loans Payable	66,695	0	66,695	0
Landfill Postclosure Care Liability	0	1,651,318	1,651,318	0
Total Noncurrent Liabilities	92,084	1,651,318	1,743,402	0
Total Liabilities	131,168	1,737,321	1,868,489	330,059
Net Assets:				
Invested in Capital Assets, net of related debt	2,722,806	143,164	2,865,970	0
Unrestricted	2,073,180	(1,661,381)	411,799	1,552,274
Total Net Assets	\$ 4,795,986	\$ (1,518,217)	\$ 3,277,769	\$ 1,552,274

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, 2005**

	Business-Type Activities - Enterprise Funds			Governmental Activities-
	Sewer District	Landfill	Total	Internal Service Funds
Operating Revenues:				
Charges for Services	\$ 1,101,436	\$ 0	\$ 1,101,436	\$ 3,855,130
Tap In Fees	91,860	0	91,860	0
Other Operating Revenue	5,550	0	5,550	0
Total Operating Revenues	1,198,846	0	1,198,846	3,855,130
Operating Expenses:				
Personal Services	558,537	0	558,537	0
Contractual Services	361,083	0	361,083	273,982
Materials and Supplies	160,430	0	160,430	0
Depreciation	115,085	0	115,085	0
Other Operating Expenses	31,404	0	31,404	0
Health Insurance Claims	0	0	0	3,206,647
Total Operating Expenses	1,226,539	0	1,226,539	3,480,629
Operating Income (Loss)	(27,693)	0	(27,693)	374,501
Nonoperating Revenue (Expenses):				
Investment Earnings	63,456	0	63,456	46,541
Interest Expense	(3,909)	0	(3,909)	0
Other Nonoperating Revenue	0	0	0	74,811
Other Nonoperating Expense	0	0	0	(309)
Total Nonoperating Revenues (Expenses)	59,547	0	59,547	121,043
Income Before Contributions and Transfers	31,854	0	31,854	495,544
Capital Contributions - Tap in Fees	145,523	0	145,523	0
Transfers In	0	124,101	124,101	0
Transfers Out	(63,456)	0	(63,456)	0
Change in Net Assets	113,921	124,101	238,022	495,544
Net Assets (Deficits) Beginning of Year	4,682,065	(1,642,318)	3,039,747	1,056,730
Net Assets (Deficits) End of Year	<u>\$ 4,795,986</u>	<u>\$ (1,518,217)</u>	<u>\$ 3,277,769</u>	<u>\$ 1,552,274</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005**

	<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>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,171,707	\$0	\$1,171,707	\$0
Cash Received from Interfund Services	0	0	0	3,838,749
Cash Payments to Suppliers for Goods and Services	(530,718)	(124,101)	(654,819)	(274,291)
Cash Payments to Employees for Service	(564,236)	0	(564,236)	0
Cash Payments for Claims	0	0	0	(3,051,654)
Other Operating Receipts	6,609	0	6,609	74,811
Net Cash Provided (Used) for Operating Activities	83,362	(124,101)	(40,739)	587,615
<u>Cash Flows from Noncapital and Related Financing Activities:</u>				
Transfers In	0	124,101	124,101	0
Transfers Out	(63,456)	0	(63,456)	0
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(63,456)	124,101	60,645	0
<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	145,523	0	145,523	0
Principal Paid on Ohio Water Development Loan Payable	(2,001)	0	(2,001)	0
Interest Paid on Debt	(3,909)	0	(3,909)	0
Net Cash Provided for Capital and Related Financing Activities	148,914	0	148,914	0
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	63,456	0	63,456	42,525
Net Cash Provided by Investing Activities	63,456	0	63,456	42,525
Net Increase in Cash and Cash Equivalents	232,276	0	232,276	630,140
Cash and Cash Equivalents at Beginning of Year	1,443,480	75,940	1,519,420	1,215,008
Cash and Cash Equivalents at End of Year	\$1,675,756	\$75,940	\$1,751,696	\$1,845,148
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per Statement of Net Assets:</u>				
Cash and Cash Equivalents	\$1,660,104	\$75,940	\$1,736,044	\$1,604,685
Cash and Cash Equivalents in Segregated Accounts	15,652	0	15,652	\$0
Cash and Cash Equivalents with Fiscal Agent	0	0	0	240,463
Cash and Cash Equivalents at End of Year	\$1,675,756	\$75,940	\$1,751,696	\$1,845,148

(Continued)

KNOX COUNTY, OHIO

	<u>Business Type Activities - Enterprise Funds</u>			Governmental-
	<u>Sewer District</u>	<u>Landfill</u>	<u>Totals</u>	<u>Activities Internal Service Fund</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:</u>				
Operating Income (Loss)	(\$27,693)	\$0	(\$27,693)	\$374,501
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:				
Depreciation Expense	115,085	0	115,085	0
Miscellaneous Nonoperating Revenue	0	0	0	74,811
Miscellaneous Nonoperating Expense	0	0	0	(309)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(20,530)	0	(20,530)	(16,381)
Decrease in Inventory	26,723	0	26,723	0
Increase in Prepaid Items	(226)	0	(226)	0
Decrease in Accounts Payable	(4,079)	0	(4,079)	0
Decrease in Contracts Payable	(219)	0	(219)	0
Decrease in Accrued Wages and Benefits	(1,205)	0	(1,205)	0
Decrease in Closure and Postclosure Care Payable	0	(124,101)	(124,101)	0
Increase in Intergovernmental Payable	276	0	276	0
Decrease in Compensated Absences	(4,770)	0	(4,770)	0
Increase in Claims Payable	0	0	0	154,993
Total Adjustments	<u>111,055</u>	<u>(124,101)</u>	<u>(13,046)</u>	<u>213,114</u>
Net Cash Provided (Used) for Operating Activities	<u>\$83,362</u>	<u>(\$124,101)</u>	<u>(\$40,739)</u>	<u>\$587,615</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2005**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 3,755,264
Cash and Cash Equivalents in Segregated Accounts	651,527
Receivables:	
Taxes	51,351,560
Accounts	6,172
Special Assessments	141
Due from Other Governments	3,211,979
Total Assets	<u><u>\$ 58,976,643</u></u>
Liabilities:	
Due to Other Governments	\$ 56,966,788
Undistributed Monies	644,862
Due to Others	1,364,993
Total Liabilities	<u><u>\$ 58,976,643</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - REPORTING ENTITY

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

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

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

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

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

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

Joint Ventures:

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

Emergency Management Agency

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - REPORTING ENTITY (Continued)

Alcohol and Drug Addiction and Mental Health Board (ADAMH)

The ADAMH Board is a joint venture between Knox and Licking counties. The headquarters for the Mental Health Board 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 four jointly governed organizations with other Ohio local governments.

Joint Solid Waste District

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

Mid Eastern Ohio Regional Council (MEORC)

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

Licking-Muskingum Community Based Correctional Facility (CBCF)

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

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

Related Organizations:

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

One Commissioner is appointed to the total of a four person governing board of M.O.T.A. The Commissioners cannot influence M.O.T.A.'s operation nor does M.O.T.A. represent a potential financial benefit for or burden of the County. M.O.T.A. did receive funding in the amount of \$40,000 for 2005.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - REPORTING ENTITY (Continued)

Public Library of Mount Vernon and Knox County

The Commissioners and Judge of Knox County Common Pleas appoints the governing board of the Library, however, the Commissioners and Judge cannot influence the Library's operation nor does the Library represent a potential financial benefit for or burden on the County. The Commissioners serve in a ministerial capacity as a taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the determination of its rate and duration, the Commissioners must place the levy on the ballot. The Library determines its own budget. The library did not receive any funding from the County during 2005.

Discretely Presented Component Units:

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

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

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

Agencies, Boards and Commissions:

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 1 - REPORTING ENTITY (Continued)

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

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

Governmental Fund Types:

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

General Fund

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Public Assistance Fund

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

Motor Vehicle and Gasoline Tax Fund

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

Children Services Board Fund

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

Mental Retardation Fund

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

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

Proprietary Fund Types:

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

Enterprise Funds

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Internal Service Fund

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

Fiduciary Fund Types:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. The County's only fiduciary fund type is its agency funds. The County's agency funds hold assets such as property and other taxes as well as other intergovernmental resources that have been collected by the County and will be distributed to other taxing districts located within the County. The County's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement or accounts of operations.

B. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Financial Statements (Continued)

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

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

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

C. Basis of Accounting

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

The County reports deferred revenues on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 2005, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2006 operations, have also been recorded as deferred revenue.

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

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

Component Units

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

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

Tax Budget

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

Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines that more or less revenue will be received than originally estimated. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level, the legal level of control. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may only be modified during the year by a resolution of the Commissioners. During 2005, supplemental appropriation resolutions were passed. The amounts reported as the original budget amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as final budget amounts in the statement of budgetary comparison represent the final appropriations amount including all amendments and modifications.

Lapsing of Appropriations

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

Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statements of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Budget Basis), are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents and Investments

To improve cash management, cash received by the County Treasurer is pooled in a central bank account. Moneys for all funds, including proprietary funds, are maintained in this account or are temporarily used to purchase short term investments. Individual fund integrity is maintained through the County's records. Interest revenue earned by the primary government during 2005 amounted to \$800,549.

The County has invested funds in the STAR Ohio during 2005. 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, 2005.

For purposes of the statement of cash flows and for presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less are considered to be cash equivalents.

F. Inventories

Inventories of governmental funds are valued using the purchase method while inventories of governmental activities and enterprise funds are valued using the consumption method.

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

Component Units

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, 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, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation

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

1. Property, Plant and Equipment – Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

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

<u>Description</u>	<u>Primary Government</u>	<u>Workshop</u>	<u>Airport</u>
Buildings and Improvements	10-50 Years	N/A	10-50 Years
Machinery and Equipment	5-30 Years	5 Years	5-30 Years
Vehicles	5-10 Years	3 Years	5 Years
Computer Equipment	5 Years	5 Years	5 Years
Sewer and Water Lines	50 Years	N/A	N/A
Infrastructure	12-50 Years	N/A	N/A
Shop Equipment	N/A	7 Years	N/A
Runway	N/A	N/A	50 Years

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

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

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

J. Long-Term Liabilities

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bond	Bond Retirement Fund
Ohio Public Works Commission Loan	Motor Vehicle and Gas Tax Fund
Special Assessment Bond	Bond Retirement Fund
Ohio Water Development Authority Loan	Sewer District Fund
Capital Lease Payable	General Fund, Motor Vehicle and Gas Tax Fund
Compensated Absences	General Fund, Public Assistance Fund, Motor Vehicle and Gas Tax Fund, Children Services Board Fund, Mental Retardation Fund, Dog and Kennel Fund, Probate Juvenile Special Projects Fund, After Hours Probation 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, 2005***

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Net Assets

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

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

L. Interfund Activity

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

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

M. Reservations of Fund Balance

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

N. Operating Revenues and Expenses

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

O. Risk Management

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

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 3 –CHANGE IN ACCOUNTING PRINCIPLE

The County has implemented GASB Statement No. 40, *Deposits and Investment Disclosures*, which amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*. Implementation of this GASB had no impact on the County’s financial position or results of operation.

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

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

	Net Change in Fund Balances				
	General Fund	Public Assistance Fund	Motor Vehicle and Gasoline Tax Fund	Children's Services Board Fund	Mental Retardation Fund
GAAP Basis (as reported)	(\$789,179)	(\$376,615)	(\$386,919)	\$472,296	(\$261,420)
Increase (Decrease):					
Net Adjustments for					
Revenue Accruals	(71,463)	(1,676,645)	(29,169)	19,987	(178,163)
Net Adjustments for					
Expenditure Accruals	91,445	(18,152)	148,337	15,328	14,725
Inception of Capital Lease	0	0	(135,302)	0	0
Transfers In	(63,456)	0	0	0	0
Transfers Out	137,709	0	0	0	0
Outstanding Encumbrances	(408,553)	(604,229)	(131,668)	(21,059)	(124,633)
Budget Basis	<u>(\$1,103,497)</u>	<u>(\$2,675,641)</u>	<u>(\$534,721)</u>	<u>\$486,552</u>	<u>(\$549,491)</u>

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The Landfill Development Fund had deficit net assets of \$1,518,217 as of December 31, 2005. 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Appropriations Over Estimated Resources

For the year ended December 31, 2005, appropriations exceeded estimated resources contrary to Ohio Revised Code Section 5705.39 as follows:

<u>Fund</u>	<u>Excess</u>
Motor Vehicle and Gasoline Tax Fund	\$ 181,077

The County Auditor will review budget resources to ensure there are sufficient resources for amounts appropriated.

NOTE 6 - DEPOSITS AND INVESTMENTS

Primary Government

The County maintains a cash and investment pool used by all funds. Each fund type'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;

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

- 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).

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, \$16,747,922 of the County's bank balance of 22,156,273 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.

B. Investments

The County's investments at December 31, 2005 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	Investment Maturities (in Years) <u>less than 1</u>
STAR Ohio	\$4,427,338	AAAm ¹	\$4,427,338
Federal National Mortgage Association Discount Note	<u>981,013</u>	AAA ¹	<u>981,013</u>
Total Investments	<u><u>\$5,408,351</u></u>		<u><u>\$5,408,351</u></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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Concentration of Credit Risk – The County places no limit on the amount the County may invest in one issuer. Of the County’s total investments, 18.1% are FNMA discount notes.

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 FNMA Discount Notes are exposed to custodial credit risk as they are uninsured, unregistered and held by the counterparty’s trust department or agent, but not in the County’s name. The County has no policy dealing with custodial credit risk beyond the requirements of ORC 135.14 (M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

Component Units

At year end, the carrying value of the Knox New Hope Industries, Inc. deposits was \$64,536 and the bank balance was \$64,692. The entire bank balance was covered by federal depository insurance. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation. Cash and deposits of the Workshop are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" and "Cash and Cash Equivalents with Fiscal and Escrow Agents." New Hope Industries, Inc. invests in open-ended mutual funds, which are presented at the fair market value at December 31, 2005, with a maturity of less than one year. Raymond James Financial, Inc. is the counterparty for determining custodial risk for the mutual funds and their credit rating by Standard & Poor’s is BBB/stable A-2.

At year end, the carrying value of the Knox County Airport's deposits was \$308,582 and the bank balance was \$1,063,758. \$100,000 of the bank balance was covered by federal depository insurance, the remainder of the balance was uninsured and collateralized through an entity pool with securities held by the pledging institution’s trust department not in the Airport’s name. Cash and deposits of the Airport are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts." The Airport also had Cash and Cash Equivalents with Fiscal Agent of \$735,818 that is being held by the USDA as a loan guarantee. The Airport follows similar guidelines for deposit and investment of funds for the County.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 7 - PROPERTY TAXES

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

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 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, 2005. 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 2005 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, 2005, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$853,648,920
Public Utility Personal Property	39,394,160
Tangible Personal Property	<u>101,787,568</u>
Total Assessed Value	<u>\$994,830,648</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 8 - PERMISSIVE SALES AND USE TAX

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

Amounts that are measurable and available at year-end are accrued as revenue in governmental funds. Sales tax revenue in 2005 amounted to \$5,169,481 with \$3,877,778 credited to the General Fund and \$1,291,703 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, 2005**

NOTE 9 - RECEIVABLES

Receivables at December 31, 2005, consisted of taxes, interest, special assessments, accounts, (billings for user charged services, including unbilled utility services), loans, intergovernmental receivables arising from grants, entitlements and shared revenues.

A summary of the principal items of intergovernmental receivables (Due from other governments) follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>	<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund		Special Revenue Funds	
Election Costs Receivable	\$ 13,717	Drug Abuse Resistance Grant	26,593
Sheriff's Contracts	18,549	Litter Grant	11,320
Animal Control		Youth Services Grant	183,353
and Humane Officer Reimbursement	9,111	VOCA Grant	23,376
Homestead and Rollback Reimbursement	144,707	Jail Diversion Grant	25,552
Local Government	488,286	Drug Court Grant	118,978
Municipal Court Fines & Costs	6,812	Emergency Management Grant	115,765
Election Ballot Ad Reimbursement	6,296	Home Fund Grant	141,850
Public Defender Reimbursement	13,965	Citizens Corp Program Grant	7,405
Corsa	8,865	Municipal Court Fines & Costs	125
Total General Fund	<u>710,308</u>	Community Health Homestead and Rollback Reimbursement	33,305
Public Assistance Fund		Senior Citizen Homestead and Rollback Reimbursement	46,112
OP Recovery	1,380	WIA Grant	3,543
Public Assistance Grant	1,612,450	Total Nonmajor Special Revenue Funds	<u>737,277</u>
Total Public Assistance Fund	<u>1,613,830</u>		
Motor Vehicle and Gasoline Tax Fund		CDBG Grant	404,366
Cents Per Gallon	444,222	Total Nonmajor Capital Projects	<u>404,366</u>
Motor Vehicle District Registration	206,747		
County Motor Vehicle	418,925	Total Governmental Fund Types	<u>\$5,907,731</u>
Road Miles	188,861		
5% County Equalization	85,957	Agency Funds	
New Permissive	217,844	Local Government	\$907,551
Old Permissive	104,253	Revenue Assistance	219,469
Gasoline Tax	655,876	Library Local Government	850,190
Total Motor Vehicle and Gasoline Tax Fund	<u>2,322,685</u>	Cents Per Gallon	364,545
Children Service Board Fund		Motor Vehicle Registration	96,306
Children Services Homestead and Rollback Reimbursement	50,906	Township Road Miles	112,955
Children Services Foster Care	1,375	New Permissive	65,567
Total Children Services Board	<u>52,281</u>	Old Permissive	47,876
Mental Retardation Fund		Municipal Court Fines & Costs	665
Mental Retardation Homestead and Rollback Reimbursement	66,984	Workers Compensation	12,573
		Gasoline Tax	534,282
		Total Agency Funds	<u>\$3,211,979</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2005:

Historical Cost:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$3,511,122	\$0	\$0	\$3,511,122
Construction In Progress	0	731,030	0	731,030
Subtotal	3,511,122	731,030	0	4,242,152
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	24,900,083	0	(34,213)	24,865,870
Machinery and Equipment	3,698,160	401,502	(147,034)	3,952,628
Vehicles	2,622,849	268,841	(290,590)	2,601,100
Computer Equipment	919,818	113,259	(75,947)	957,130
Infrastructure	41,619,537	3,123,853	(1,475,628)	43,267,762
Subtotal	73,760,447	3,907,455	(2,023,412)	75,644,490
Total Cost	\$77,271,569	\$4,638,485	(\$2,023,412)	\$79,886,642

Accumulated Depreciation:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Improvements	(\$4,984,942)	(\$922,524)	\$34,213	(\$5,873,253)
Machinery and Equipment	(2,265,800)	(293,967)	125,327	(2,434,440)
Vehicles	(1,785,456)	(216,700)	284,735	(1,717,421)
Computer Equipment	(715,833)	(102,906)	74,967	(743,772)
Infrastructure	(14,039,288)	(1,496,623)	1,439,822	(14,096,089)
Total Depreciation	(\$23,791,319)	(\$3,032,720) *	\$1,959,064	(\$24,864,975)

Net Value:

\$53,480,250	\$55,021,667
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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 10 - CAPITAL ASSETS (Continued)

A. Governmental Activities Capital Assets (Continued)

*Depreciation expenses were charges to governmental functions as follows:

General Government	
Legislative and Executive	\$497,062
Judicial	25,042
Public Safety	510,442
Public Works	1,686,759
Health	68,391
Human Services	245,024
Total Depreciation Expense	<u>\$3,032,720</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2005:

Historical Cost:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Capital assets not being depreciated:				
Land	\$236,839	\$0	\$0	\$236,839
Capital assets being depreciated:				
Buildings and Improvements	841,527	0	0	841,527
Machinery and Equipment	1,066,787	0	0	1,066,787
Vehicles	172,265	0	0	172,265
Computer Equipment	40,213	0	0	40,213
Sewer and Water Lines	2,009,927	0	0	2,009,927
Subtotal	<u>4,130,719</u>	<u>0</u>	<u>0</u>	<u>4,130,719</u>
Total Cost	<u>\$4,367,558</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,367,558</u>

Accumulated Depreciation:

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Improvements	(\$263,246)	(\$14,979)	\$0	(\$278,225)
Machinery and Equipment	(195,979)	(33,218)	0	(229,197)
Vehicles	(55,402)	(19,265)	0	(74,667)
Computer Equipment	(16,378)	(7,424)	0	(23,802)
Sewer and Water Lines	(786,688)	(40,199)	0	(826,887)
Total Depreciation	<u>(\$1,317,693)</u>	<u>(\$115,085)</u>	<u>\$0</u>	<u>(\$1,432,778)</u>
Net Value:	<u>\$3,049,865</u>			<u>\$2,934,780</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 10 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets

A summary of the Knox New Hope Industries' and Knox County Airport's capital assets at December 31, 2005, follows:

Knox New Hope Industries

Historical Cost:

<u>Class</u>	<u>December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2005</u>
Capital assets being depreciated:				
Machinery and Equipment	\$59,817	\$8,599	(\$1,500)	\$66,916
Vehicles	64,476	0	0	64,476
Computer Equipment	10,635	2,150	0	12,785
Total Cost	<u>\$134,928</u>	<u>\$10,749</u>	<u>(\$1,500)</u>	<u>\$144,177</u>

Accumulated Depreciation:

<u>Class</u>	<u>December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2005</u>
Machinery and Equipment	(\$32,386)	(\$5,311)	\$0	(\$37,697)
Vehicles	(63,695)	(114)	0	(63,809)
Computer Equipment	(8,391)	(931)	0	(9,322)
Total Depreciation	<u>(\$104,472)</u>	<u>(\$6,356)</u>	<u>\$0</u>	<u>(\$110,828)</u>
Net Value:	<u>\$30,456</u>			<u>\$33,349</u>

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KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 10 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets (Continued)

Knox County Airport

<i>Historical Cost:</i>	December 31,			December 31,
Class	2004	Additions	Deletions	2005
<i>Capital assets not being depreciated:</i>				
Land	\$744,837	\$0	\$0	\$744,837
Construction in Progress	27,689	2,252,906	0	2,280,595
Subtotal	772,526	2,252,906	0	3,025,432
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	819,344	148,408	0	967,752
Machinery and Equipment	545,526	4,119	0	549,645
Vehicles	41,000	0	0	41,000
Computer Equipment	2,582	0	0	2,582
Subtotal	1,408,452	152,527	0	1,560,979
Total Cost	\$2,180,978	\$2,405,433	\$0	\$4,586,411
<i>Accumulated Depreciation:</i>				
Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Improvements	(\$185,471)	(\$20,675)	\$0	(\$206,146)
Machinery and Equipment	(103,790)	(18,241)	0	(122,031)
Vehicles	(37,619)	(924)	0	(38,543)
Computer Equipment	(1,401)	(212)	0	(1,613)
Total Depreciation	(\$328,281)	(\$40,052)	\$0	(\$368,333)
<i>Net Value:</i>	\$1,852,697			\$4,218,078

NOTE 11 - JOINT VENTURES

A. Emergency Management Agency

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 11 - JOINT VENTURES (Continued)

A. Emergency Management Agency (Continued)

The Agency does not have any outstanding debt. The County contributed \$30,000 to the Agency during 2005. 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. Alcohol and Drug Addiction and Mental Health Board (ADAMH)

The ADAMH Board is a joint venture between Knox and Licking counties. The headquarters for the ADAMH Board is in Licking County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the ADAMH 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 \$741,857 in property taxes for the Board during 2005. Separate financial statements may be obtained by contacting the ADAMH Board at 65 Messmore 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 2005. 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, 2005***

NOTE 12 - JOINTLY GOVERNED ORGANIZATIONS

A. Joint Solid Waste District

The Joint Solid Waste District is a jointly governed organization among Delaware, Knox, Marion and Morrow Counties. Each of these governments supports the District. The County made no contributions during 2005. The degree of control exercised by any participating County is limited to its representation on the Board. The Board of Directors consists of twelve members, the three county commissioners of each of the four counties. The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees.

B. Mid Eastern Ohio Regional Council (MEORC)

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization among fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. The Council does not have any outstanding debt. No contributions were made by the County in 2005.

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 2005, 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, 2005***

NOTE 13 - RISK MANAGEMENT

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. The County paid \$203,638 in the form of insurance premiums during 2005 to CORSA.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 13 - RISK MANAGEMENT (Continued)

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

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

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

The liability for unpaid claims costs of \$330,059 reported in the fund at December 31, 2005 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>
2004	\$261,825	\$2,586,720	(\$2,673,479)	\$175,066
2005	175,066	3,206,647	(3,051,654)	330,059

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, 2005***

NOTE 14 - DEFINED BENEFIT RETIREMENT PLANS

Ohio Public Employees Retirement System

All Knox County full-time employees participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. 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) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, 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 8.5 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 13.55 percent of covered salary for 2005. The County contribution for law enforcement employees for 2005 was 16.7 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2005, 2004, and 2003 were \$2,180,398 \$2,218,541, and \$2,050,161, respectively: 90.01 percent has been contributed for 2005 and 100 percent has been contributed for 2004 and 2003. The unpaid contribution for 2005 is recorded as a liability in the respective funds.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 15 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2005 is 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.0 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2005 was 16.7 percent; 4.0 percent was used to fund health care.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS latest actuarial review performed as of December 31, 2004. An entry age normal 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. The investment assumption rate for 2004 was 8.0%. 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 at the projected wage inflation rate plus an additional factor ranging from 1% to 6% 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 376,109. The County's actual contributions for 2005 which were used to fund postemployment benefits were \$784,984. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 16 - OTHER EMPLOYEE BENEFITS

Compensated Absences - County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time and compensatory time is paid upon separation if the employee has acquired at least one year of service with the County. Twenty-five percent up to a maximum of thirty days accumulated unused sick leave is paid to employees upon retirement after ten years of service. As of December 31, 2005, the liability for compensated absences was \$888,392 for the entire County.

NOTE 17 - CAPITAL LEASES - LESSEE DISCLOSURE

Two capital leases were entered into during 2001 for copying equipment and one during 2005 for an excavator. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds. Equipment acquired by lease has been capitalized in the governmental activities capital assets in the amount of \$7,570 for the copier for the Tax Map Department, \$8,160 for the copier for the Engineer's Office and \$135,302 for the 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. Principal payments in 2005 totaled \$1,701 for the copier for the Tax Map Department and \$1,835 for the copier for the Engineer's Office. No payments were made for the excavator in 2005.

Future minimum lease payments as of December 31, 2005 are as follows:

<u>Year Ending December 31,</u>	<u>Map Department Amount</u>	<u>Engineer Department Amount</u>
2006	\$449	\$49,473
2007	0	48,987
2008	<u>0</u>	<u>48,987</u>
Minimum Lease Payments	449	147,447
Less amount representing interest at the County's incremental borrowing rate of interest	<u>(5)</u>	<u>(11,664)</u>
Present value of minimum lease payments	<u><u>\$444</u></u>	<u><u>\$135,783</u></u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 18 - LONG-TERM LIABILITIES

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

	Balance December 31, 2004	Additions	(Reductions)	Balance December 31, 2005	Due Within One Year
Governmental Activities:					
Special Assessment Bond Payable with Governmental Commitment					
1985 8.38% Sewer District Improvement	\$90,000	\$0	(\$90,000)	\$0	\$0
Total Special Assessment Bonds	90,000	0	(90,000)	0	0
General Obligation Bonds Payable					
1998 5.02% Children's Resource Center	945,000	0	(50,000)	895,000	50,000
1997 5.27% Corporate Center	1,845,000	0	(105,000)	1,740,000	110,000
2001 5.04% Correctional Facility	5,896,000	0	(244,000)	5,652,000	252,000
2001 5.05% Board of Health Center	1,474,000	0	(61,000)	1,413,000	63,000
2002 4.75% JFS Training Center	1,260,000	0	(50,000)	1,210,000	55,000
Total General Obligation Bonds	11,420,000	0	(510,000)	10,910,000	530,000
Installment Note-Board of Elections	120,000	0	(60,000)	60,000	60,000
Ohio Public Works Commission Loan Payable	32,704	0	(3,270)	29,434	3,271
Capital Leases-General Fund - Tax Map Department	2,145	0	(1,701)	444	444
Capital Leases-Motor Vehicle and Gasoline Tax Fund - Engineer Department	2,316	135,302	(1,835)	135,783	43,718
Total Capital Leases	4,461	135,302	(3,536)	136,227	44,162
Compensated Absences	817,978	863,003	(817,978)	863,003	\$582,406
Total Governmental Activities	\$12,485,143	\$998,305	(\$1,484,784)	\$11,998,664	\$1,219,839
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):					
2000 2.00% Water Treatment Plant/Clearwells/Wellfield	\$70,811	\$0	(\$2,001)	\$68,810	\$2,115
Total Ohio Water Development Authority Loans	70,811	0	(2,001)	68,810	2,115
Landfill Postclosure Care Liability	1,861,422	0	(124,101)	1,737,321	86,003
Compensated Absences	30,159	25,389	(30,159)	25,389	0
Total Business-Type Long-Term Liabilities	\$1,962,392	\$25,389	(\$156,261)	\$1,831,520	\$88,118

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2005**

NOTE 18 - LONG-TERM LIABILITIES (Continued)

The capital leases will be paid from the general and special revenue funds. The Board of Elections note installment for the voting machines and the Correctional Facility general obligation bonds will be paid from the general fund. The Corporate Center Bonds and the JFS Training Center bonds will be paid from the Department of Human Services, which is mostly funded by levies passed by the voters. The Children’s Resource Center bonds will be paid by a lease with Boy’s Village Inc. If Boy’s Village Inc. does not pay their lease, the bonds will be paid by Children Services monies. The OWDA loan will be paid through special assessments. The special assessment bonds were paid off from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the County. Compensated absences are reported as long-term liabilities and will be paid from the fund from which the employee is paid.

Board of Elections note installment requirements to maturity, including \$3,120 of interest; Corporate Center bond requirements to maturity, including \$669,775 of interest; Children’s Resource Center bond requirements to maturity, including \$340,116 of interest; Correctional Facility bond requirements to maturity, including \$2,583,952 of interest; Board of Health Center bond requirements to maturity, including \$645,989 of interest; JFS Training Center bond requirements to maturity, including \$532,979 of interest; the OWDA Loan requirements to maturity, including \$43,499 of interest; and the OPWC Loan requirements to maturity which is noninterest bearing are as follows:

Governmental Activities:

Years	General Obligation Bonds		Installment Note		OPWC Loan Payable
	Principal	Interest	Principal	Interest	Principal
2006	\$530,000	\$515,215	\$60,000	\$3,120	\$3,271
2007	550,000	494,470	0	0	3,271
2008	570,000	471,955	0	0	3,270
2009	595,000	447,753	0	0	3,271
2010	615,000	421,703	0	0	3,271
2011-2015	3,565,000	1,650,895	0	0	13,080
2016-2020	3,685,000	726,070	0	0	0
2021-2024	800,000	44,750	0	0	0
Totals	\$10,910,000	\$4,772,811	\$60,000	\$3,120	\$29,434

Business-type Activities:

Years	OWDA Loan Payable	
	Principal	Interest
2006	\$2,115	\$3,797
2007	2,234	3,677
2008	2,359	3,552
2009	2,492	3,419
2010	2,633	3,278
2011-2015	15,564	13,990
2016-2020	20,475	9,080
2021-2024	20,938	2,706
Totals	\$68,810	\$43,499

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 18 - LONG-TERM LIABILITIES (Continued)

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The effects of the debt limitations described above at December 31, 2005, are an overall debt margin of \$18,748,692; and an unvoted debt margin of \$5,326,232.

NOTE 19 - NOTES PAYABLE AND LOANS PAYABLE

Component Units

On July 28, 2005 the Airport secured a loan with the United States Department of Agriculture - Rural Development (USDA) for \$775,000. The loan is secured by Airport Revenue Bonds issued by the Airport and purchased by the USDA. The loan funds are being held by the USDA until needed by the Airport for airplane hanger construction which began in 2005. At December 31, 2005, the Airport had drawn down \$39,182 on the loan. A final amortization schedule for repayment on the loan will be determined when all the funds have been drawn down from the USDA. At December 31, 2005, \$775,000 has been included in the long term liability section of the Airport's balance sheet. Any amounts not drawn down as of December 31, 2005 are recorded as "Cash and Cash Equivalents with Fiscal Agent" on the Statement of Net Assets.

At December 31, 2005, the Knox County Airport also had \$118,400 in revenue bonds outstanding which were used to remove and replace fuel tanks. The original bonds issued were for \$158,000 and the bonds bear an interest rate of 4.75 percent. The bonds will mature in installments over 20 years. The Knox County Airport also has loans payable to the Primary Government outstanding at December 31, 2005, in the amount of \$223,576 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, 2005***

NOTE 20 - INTERFUND TRANSACTIONS

The following balances at December 31, 2005 represent transfers in and transfers out:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$89,870	\$1,703,607
Public Assistance Fund	200,000	303,160
Other Governmental Funds	<u>1,693,671</u>	<u>37,419</u>
Total Governmental Funds	1,983,541	2,044,186
Business-Type Activities:		
Sewer Fund	0	63,456
Landfill Fund	<u>124,101</u>	<u>0</u>
Total Enterprise Funds	<u>124,101</u>	<u>63,456</u>
Totals	<u>\$2,107,642</u>	<u>\$2,107,642</u>

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

Interfund balances at December 31, 2005, 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	\$34,215	\$127,476
Public Assistance	0	5,885
Other Governmental Funds	<u>127,476</u>	<u>28,330</u>
Total Due from/Due to Other Funds	<u>\$161,691</u>	<u>\$161,691</u>
<u>Interfund Receivables/Payables:</u>		
General Fund	\$2,000	\$0
Public Assistance	50,000	0
Other Governmental Funds	<u>16,000</u>	<u>68,000</u>
Total Interfund Receivables/Payables	<u>\$68,000</u>	<u>\$68,000</u>

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 21 - CONTINGENT LIABILITIES

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

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

NOTE 22 - FOOD STAMPS

The County's Department of Human Services distributed, through contracting issuance centers, federal food stamps to entitled recipients within Knox County. The receipt and issuance of these stamps have the characteristics of federal "grants"; however, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution approximately \$3,459 of federal food stamps at December 31, 2005.

NOTE 23 - 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, 2005 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2005***

NOTE 24 - RELATED PARTY TRANSACTIONS

During 2005 Knox County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of programs to New Hope Industries, Inc., (the "workshop"), a discretely presented component unit of Knox County. The Workshop reported \$34,947 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the workshop. Additional habilitative services provided directly to Workshop clients by Knox County amounted to \$1,399,933 during 2005.

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

NOTE 25 - CONDUIT DEBT OBLIGATIONS

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

As of December 31, 2005, there were twenty-four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,600,000.

Also, at December 31, 2005, Industrial Revenue Bonds outstanding for Knox Community Hospital totaled \$37,190,000, which consisted of \$16,500,000 issued on December 9, 2004.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Dog and Kennel Fund

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

Indigent Guardianship Fund

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

Conduct of Business Fund

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

Courts Computer Fund

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

Recorder's Equipment Fund

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

Courts' Computer Research Fund

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

Time Out Program Fund

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

Court Security Fund

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

(Continued)

Special Revenue Funds

Probate-Juvenile Special Projects Fund

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

Juvenile Court Special Probation Fund

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

After Hours Probation Fund

The fund accounts for revenue received to supervise probation clients. Expenditures are for the personnel and any equipment necessary for probation.

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

Community Policing Grant Fund

The fund accounts for a grant received from the Cops Fast Grant program and is to be used for up to 75% of the salary and benefits of a full time officer. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Common Pleas Prison Reduction Grant Fund

The fund accounts for a grant received from the Department of Rehabilitation and Correction. The project was designed to prepare the court to comply with the dictates of Senate Bill 2 when it became effective in July of 1996.

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.

Litter Control and Recycling Fund

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

Child Support Enforcement Agency Fund

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

Real Estate Assessment Fund

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

(Continued)

Special Revenue Funds

Youth Services Grant Fund

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

Ditch Maintenance Fund

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

Water Resource Study Fund

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

Emergency Management Agency Fund

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

Family Resources Fund

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

Home Fund

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

Marriage License Fund

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

Help America Vote Grant Fund

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

Storm Water Management Fund

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

Concealed Handgun License Fund

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

(Continued)

Special Revenue Funds

Workforce Investment Act (WIA) Programs Fund

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

Flood Assistance Fund

The fund accounts for reimbursement of expenses for flood damage through the Federal Emergency Management Agency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Commissary Fund

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

Law Enforcement Fund

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

Drug Abuse Resistance Education Fund

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

(Continued)

Special Revenue Funds

Drug Enforcement Fund

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

Revolving Loan Fund

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

Calendar Fund

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

Work Release Fund

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

Law Enforcement Cadets Fund

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

Web Check Fund

The fund accounts for fees to check on criminal backgrounds through the State of Ohio. (This fund is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

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.

Ohio Public Works Commission (OPWC) Dan-Amity Road Fund

This fund was established to pay the improvements to this project with the income from the Ohio Public Works Commission. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

Capital Projects Funds

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

Permanent Improvement Fund

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

Dog and Kennel Equipment Fund

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

Issue II Fund

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

Sewer Construction Fund

The fund accounts for investment income from original Apple Valley Sewer project money. The expenditures are for the improvements projects at Apple Valley.

(Continued)

Capital Projects Funds

Job and Family Services (JFS) Training Center Fund

The fund accounts for expenses to construct, equip and furnish a Training Center for the Department of Job and Family Services. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Children's Resource Center Fund

The fund accounts for expenses to construct, equip, and furnish a children's resource center for the use of the department of Human Services. (The Balance Sheet is not presented because there are no assets or liabilities at year end. This fund only exists on a GAAP basis and is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

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.)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,852,219	\$ 557,009	\$ 1,243,681	\$ 5,652,909
Cash and Cash Equivalents in Segregated Accounts	70,888	0	0	70,888
Cash and Cash Equivalents with Fiscal Agent	0	0	37,221	37,221
Receivables:				
Taxes	1,745,332	0	0	1,745,332
Accounts	35,666	0	0	35,666
Intergovernmental	737,277	0	404,366	1,141,643
Interest	166	0	108	274
Special Assessments	8,912	0	0	8,912
Loans	102,532	0	0	102,532
Due from Other Funds	0	127,476	0	127,476
Interfund Receivable	16,000	0	0	16,000
Prepaid Items	2,207	0	0	2,207
Total Assets	\$ 6,571,199	\$ 684,485	\$ 1,685,376	\$ 8,941,060
Liabilities:				
Accounts Payable	\$ 68,746	\$ 0	\$ 13,495	\$ 82,241
Accrued Wages and Benefits Payable	74,302	0	0	74,302
Intergovernmental Payable	56,625	0	0	56,625
Contracts Payable	5,266	0	88,768	94,034
Matured Bonds and Interest Payable	0	48,379	0	48,379
Due to Other Funds	28,330	0	0	28,330
Interfund Payable	68,000	0	0	68,000
Deferred Revenue	2,293,927	0	365,746	2,659,673
Total Liabilities	2,595,196	48,379	468,009	3,111,584
Fund Balances:				
Reserved for Encumbrances	154,954	0	397,745	552,699
Reserved for Debt Service	0	636,106	0	636,106
Reserved for Loans Receivable	102,532	0	0	102,532
Unreserved, Undesignated in:				
Special Revenue Funds	3,718,517	0	0	3,718,517
Capital Projects Funds	0	0	819,622	819,622
Total Fund Balances	3,976,003	636,106	1,217,367	5,829,476
Total Liabilities and Fund Balances	\$ 6,571,199	\$ 684,485	\$ 1,685,376	\$ 8,941,060

KNOX COUNTY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 3,006,872	\$ 0	\$ 0	\$ 3,006,872
Intergovernmental Revenues	1,647,664	0	1,520,261	3,167,925
Charges for Services	1,146,515	0	0	1,146,515
Licenses and Permits	123,266	0	0	123,266
Investment Earnings	6,714	0	95	6,809
Special Assessments	10,085	37,155	0	47,240
Fines and Forfeitures	9,113	0	0	9,113
All Other Revenue	450,476	214,221	1,290	665,987
Total Revenue	6,400,705	251,376	1,521,646	8,173,727
Expenditures:				
Current:				
General Government				
Legislative and Executive	1,449,063	0	0	1,449,063
Judicial	193,964	0	0	193,964
Public Safety	2,023,214	0	0	2,023,214
Public Works	386,397	0	0	386,397
Health	182,266	0	0	182,266
Human Services	1,795,507	0	0	1,795,507
Capital Outlay	4,154	0	2,358,618	2,362,772
Debt Service:				
Principal Retirement	0	660,000	0	660,000
Interest and Fiscal Charges	0	550,644	0	550,644
Total Expenditures	6,034,565	1,210,644	2,358,618	9,603,827
Excess (Deficiency) of Revenues Over Expenditures	366,140	(959,268)	(836,972)	(1,430,100)
Other Financing Sources (Uses):				
Transfers In	57,900	885,771	750,000	1,693,671
Transfers Out	(37,414)	0	(5)	(37,419)
Total Other Financing Sources (Uses)	20,486	885,771	749,995	1,656,252
Net Change in Fund Balances	386,626	(73,497)	(86,977)	226,152
Fund Balances at Beginning of Year	3,589,377	709,603	1,304,344	5,603,324
Fund Balances End of Year	\$ 3,976,003	\$ 636,106	\$ 1,217,367	\$ 5,829,476

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Dog and Kennel	Indigent Guardianship	Conduct of Business	Courts Computer
Assets:				
Cash and Cash Equivalents	\$ 224,961	\$ 6,480	\$ 2,900	\$ 48,654
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	590	550	47	2,244
Intergovernmental	125	0	0	0
Interest	0	0	0	166
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 225,676</u>	<u>\$ 7,030</u>	<u>\$ 2,947</u>	<u>\$ 51,064</u>
Liabilities:				
Accounts Payable	\$ 2,662	\$ 800	\$ 0	\$ 0
Accrued Wages and Benefits Payable	2,484	0	0	0
Intergovernmental Payable	1,855	0	0	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>7,001</u>	<u>800</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	1,507	0	0	44
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	217,168	6,230	2,947	51,020
Total Fund Balances	<u>218,675</u>	<u>6,230</u>	<u>2,947</u>	<u>51,064</u>
Total Liabilities and Fund Balances	<u>\$ 225,676</u>	<u>\$ 7,030</u>	<u>\$ 2,947</u>	<u>\$ 51,064</u>

KNOX COUNTY, OHIO

Recorder's Equipment	Courts' Computer Research	Time Out Program	Court Security	Probate-Juvenile Special Project	After Hours Probation	Juvenile Court Social Workers
\$ 34,342	\$ 2,864	\$ 560	\$ 98	\$ 26,670	\$ 44	\$ 112,230
0	0	0	0	0	0	0
0	0	0	0	0	0	0
232	195	0	0	464	0	669
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	11,000
0	0	0	0	0	0	0
<u>\$ 34,574</u>	<u>\$ 3,059</u>	<u>\$ 560</u>	<u>\$ 98</u>	<u>\$ 27,134</u>	<u>\$ 44</u>	<u>\$ 123,899</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	179	0	0	0	2,489
0	0	237	0	0	4	1,970
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>416</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>4,459</u>
5,085	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>29,489</u>	<u>3,059</u>	<u>144</u>	<u>98</u>	<u>27,134</u>	<u>40</u>	<u>119,440</u>
<u>34,574</u>	<u>3,059</u>	<u>144</u>	<u>98</u>	<u>27,134</u>	<u>40</u>	<u>119,440</u>
<u>\$ 34,574</u>	<u>\$ 3,059</u>	<u>\$ 560</u>	<u>\$ 98</u>	<u>\$ 27,134</u>	<u>\$ 44</u>	<u>\$ 123,899</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Automated Title Processing	Delinquent Tax Assessment Collection	VOCA and SVAA Grant	Marine Patrol Grant
Assets:				
Cash and Cash Equivalents	\$ 153,996	\$ 341,982	\$ 10,868	\$ 3,089
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	15,413	0	0	0
Intergovernmental	0	0	23,376	0
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 169,409</u>	<u>\$ 341,982</u>	<u>\$ 34,244</u>	<u>\$ 3,089</u>
Liabilities:				
Accounts Payable	\$ 50	\$ 0	\$ 286	\$ 1,310
Accrued Wages and Benefits Payable	3,842	1,922	937	0
Intergovernmental Payable	2,891	1,290	709	116
Contracts Payable	0	2,285	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	21,084	0
Total Liabilities	<u>6,783</u>	<u>5,497</u>	<u>23,016</u>	<u>1,426</u>
Fund Balances:				
Reserved for Encumbrances	1,116	4,342	995	45
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	161,510	332,143	10,233	1,618
Total Fund Balances	<u>162,626</u>	<u>336,485</u>	<u>11,228</u>	<u>1,663</u>
Total Liabilities and Fund Balances	<u>\$ 169,409</u>	<u>\$ 341,982</u>	<u>\$ 34,244</u>	<u>\$ 3,089</u>

KNOX COUNTY, OHIO

<u>Drug Abuse Resistance Education Grant</u>	<u>Common Pleas Prison Reduction Grant</u>	<u>Common Pleas Jail Diversion Grant</u>	<u>Byrne Drug Court</u>	<u>911 Emergency Calling System</u>	<u>Child Abuse Prevention Grant</u>
\$ 3,478	\$ 7	\$ 10,202	\$ 25,308	\$ 1,438,638	\$ 5,549
0	0	0	0	0	0
0	0	0	0	203,325	0
0	0	0	0	0	0
26,593	0	25,552	118,978	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	2,207	0
<u>\$ 30,071</u>	<u>\$ 7</u>	<u>\$ 35,754</u>	<u>\$ 144,286</u>	<u>\$ 1,644,170</u>	<u>\$ 5,549</u>
\$ 0	\$ 0	\$ 173	\$ 1,110	\$ 19,575	\$ 0
0	0	1,640	886	32,996	0
112	0	1,245	896	24,441	0
0	0	0	0	600	0
0	0	0	0	0	0
0	0	0	11,000	0	0
26,593	0	12,776	107,728	105,918	0
<u>26,705</u>	<u>0</u>	<u>15,834</u>	<u>121,620</u>	<u>183,530</u>	<u>0</u>
0	0	0	0	30,176	0
0	0	0	0	0	0
3,366	7	19,920	22,666	1,430,464	5,549
<u>3,366</u>	<u>7</u>	<u>19,920</u>	<u>22,666</u>	<u>1,460,640</u>	<u>5,549</u>
<u>\$ 30,071</u>	<u>\$ 7</u>	<u>\$ 35,754</u>	<u>\$ 144,286</u>	<u>\$ 1,644,170</u>	<u>\$ 5,549</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Litter Control and Recycling	Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant
Assets:				
Cash and Cash Equivalents	\$ 7,956	\$ 128,991	\$ 807,592	\$ 116,011
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	13,759	0	0
Intergovernmental	11,320	0	0	183,353
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	5,000	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 24,276	\$ 142,750	\$ 807,592	\$ 299,364
Liabilities:				
Accounts Payable	\$ 1,898	\$ 219	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	14,163	6,077	3,859
Intergovernmental Payable	223	10,892	4,585	2,770
Contracts Payable	0	0	676	0
Due to Other Funds	0	28,050	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	11,320	0	0	170,672
Total Liabilities	13,441	53,324	11,338	177,301
Fund Balances:				
Reserved for Encumbrances	726	44,525	15,319	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	10,109	44,901	780,935	122,063
Total Fund Balances	10,835	89,426	796,254	122,063
Total Liabilities and Fund Balances	\$ 24,276	\$ 142,750	\$ 807,592	\$ 299,364

KNOX COUNTY, OHIO

Ditch Maintenance	Water Resource Study	Emergency Management Agency	Family Resources	Home	Marriage License	Help America Vote Act
\$ 11,673	\$ 500	\$ 118,291	\$ 3,326	\$ 16	\$ 8,592	\$ 14,889
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	988	0
0	0	115,765	0	141,850	0	0
0	0	0	0	0	0	0
8,912	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>20,585</u>	<u>500</u>	<u>234,056</u>	<u>3,326</u>	<u>141,866</u>	<u>9,580</u>	<u>14,889</u>
\$ 0	\$ 0	\$ 27,395	\$ 3,136	\$ 1,000	\$ 8,592	\$ 0
0	0	1,595	0	0	0	0
0	0	1,703	0	0	0	0
0	0	119	0	1,176	0	0
0	0	280	0	0	0	0
7,000	0	0	0	0	0	0
8,912	0	74,620	0	130,050	0	0
<u>15,912</u>	<u>0</u>	<u>105,712</u>	<u>3,136</u>	<u>132,226</u>	<u>8,592</u>	<u>0</u>
0	0	48,904	0	0	0	0
0	0	0	0	0	0	0
4,673	500	79,440	190	9,640	988	14,889
<u>4,673</u>	<u>500</u>	<u>128,344</u>	<u>190</u>	<u>9,640</u>	<u>988</u>	<u>14,889</u>
<u>\$ 20,585</u>	<u>\$ 500</u>	<u>\$ 234,056</u>	<u>\$ 3,326</u>	<u>\$ 141,866</u>	<u>\$ 9,580</u>	<u>\$ 14,889</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	Storm Water Management	Concealed Handgun License	WIA Programs	Citizen Corps Program Grant
Assets:				
Cash and Cash Equivalents	\$ 23,539	\$ 6,472	\$ 147,881	\$ 69
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	45	0	0
Intergovernmental	0	0	3,543	7,405
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 23,539</u>	<u>\$ 6,517</u>	<u>\$ 151,424</u>	<u>\$ 7,474</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 540
Accrued Wages and Benefits Payable	1,233	0	0	0
Intergovernmental Payable	686	0	0	0
Contracts Payable	0	410	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	50,000	0
Deferred Revenue	0	0	0	6,809
Total Liabilities	<u>1,919</u>	<u>410</u>	<u>50,000</u>	<u>7,349</u>
Fund Balances:				
Reserved for Encumbrances	0	2,120	0	50
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	21,620	3,987	101,424	75
Total Fund Balances	<u>21,620</u>	<u>6,107</u>	<u>101,424</u>	<u>125</u>
Total Liabilities and Fund Balances	<u>\$ 23,539</u>	<u>\$ 6,517</u>	<u>\$ 151,424</u>	<u>\$ 7,474</u>

KNOX COUNTY, OHIO

Supervision Fee	Parenting Seminar	Commissary	Law Enforcement	Drug Abuse Resistance Education	Drug Enforcement
\$ 3,201	\$ 300	\$ 0	\$ 0	\$ 0	\$ 0
0	0	5,967	331	4,032	8,168
0	0	0	0	0	0
470	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>\$ 3,671</u>	<u>\$ 300</u>	<u>\$ 5,967</u>	<u>\$ 331</u>	<u>\$ 4,032</u>	<u>\$ 8,168</u>
\$ 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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,671</u>	<u>300</u>	<u>5,967</u>	<u>331</u>	<u>4,032</u>	<u>8,168</u>
<u>3,671</u>	<u>300</u>	<u>5,967</u>	<u>331</u>	<u>4,032</u>	<u>8,168</u>
<u>\$ 3,671</u>	<u>\$ 300</u>	<u>\$ 5,967</u>	<u>\$ 331</u>	<u>\$ 4,032</u>	<u>\$ 8,168</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005**

	<u>Revolving Loan</u>	<u>Calendar</u>	<u>Work Release</u>	<u>Law Enforcement Cadets</u>
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	44,352	144	1,338	1,304
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	102,532	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 146,884</u>	<u>\$ 144</u>	<u>\$ 1,338</u>	<u>\$ 1,304</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Reserved for Loans Receivable	102,532	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	44,352	144	1,338	1,304
Total Fund Balances	<u>146,884</u>	<u>144</u>	<u>1,338</u>	<u>1,304</u>
Total Liabilities and Fund Balances	<u>\$ 146,884</u>	<u>\$ 144</u>	<u>\$ 1,338</u>	<u>\$ 1,304</u>

KNOX COUNTY, OHIO

<u>Web Check</u>	<u>Community Mental Health</u>	<u>Senior Citizens</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 3,852,219
5,252	0	0	70,888
0	671,025	870,982	1,745,332
0	0	0	35,666
0	33,305	46,112	737,277
0	0	0	166
0	0	0	8,912
0	0	0	102,532
0	0	0	16,000
0	0	0	2,207
<u>\$ 5,252</u>	<u>\$ 704,330</u>	<u>\$ 917,094</u>	<u>\$ 6,571,199</u>
\$ 0	\$ 0	\$ 0	\$ 68,746
0	0	0	74,302
0	0	0	56,625
0	0	0	5,266
0	0	0	28,330
0	0	0	68,000
0	702,642	914,803	2,293,927
<u>0</u>	<u>702,642</u>	<u>914,803</u>	<u>2,595,196</u>
0	0	0	154,954
0	0	0	102,532
<u>5,252</u>	<u>1,688</u>	<u>2,291</u>	<u>3,718,517</u>
<u>5,252</u>	<u>1,688</u>	<u>2,291</u>	<u>3,976,003</u>
<u>\$ 5,252</u>	<u>\$ 704,330</u>	<u>\$ 917,094</u>	<u>\$ 6,571,199</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005***

	Dog and Kennel	Indigent Guardianship	Conduct of Business	Courts Computer
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	16,200	7,495	465	31,488
Licenses and Permits	118,216	0	0	0
Investment Earnings	0	0	0	1,236
Special Assessments	0	0	0	0
Fines and Forfeitures	825	0	0	0
All Other Revenue	283	0	0	0
Total Revenue	135,524	7,495	465	32,724
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	5,628	1,791	24,081
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	106,674	0	0	0
Human Services	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	106,674	5,628	1,791	24,081
Excess (Deficiency) of Revenues Over Expenditures	28,850	1,867	(1,326)	8,643
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	28,850	1,867	(1,326)	8,643
Fund Balances at Beginning of Year	189,825	4,363	4,273	42,421
Fund Balances End of Year	\$ 218,675	\$ 6,230	\$ 2,947	\$ 51,064

KNOX COUNTY, OHIO

Recorder's Equipment	Courts' Computer Research	Time Out Program	Court Security	Probate-Juvenile Special Project	After Hours Probation	Juvenile Court Social Workers
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	1,500	0	0	0	72
60,784	2,544	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	1,256	0	0
0	0	1,507	0	3,000	251	109,981
<u>60,784</u>	<u>2,544</u>	<u>3,007</u>	<u>0</u>	<u>4,256</u>	<u>251</u>	<u>110,053</u>
60,791	0	0	0	0	0	0
0	3,222	0	0	0	0	0
0	0	11,724	0	4,365	16	116,980
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>60,791</u>	<u>3,222</u>	<u>11,724</u>	<u>0</u>	<u>4,365</u>	<u>16</u>	<u>116,980</u>
(7)	(678)	(8,717)	0	(109)	235	(6,927)
0	0	8,000	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>8,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(7)	(678)	(717)	0	(109)	235	(6,927)
34,581	3,737	861	98	27,243	(195)	126,367
<u>\$ 34,574</u>	<u>\$ 3,059</u>	<u>\$ 144</u>	<u>\$ 98</u>	<u>\$ 27,134</u>	<u>\$ 40</u>	<u>\$ 119,440</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, 2005***

	Automated Title Processing	Delinquent Tax Assessment Collection	VOCA and SVAA Grant	Marine Patrol Grant
Revenues:				
Taxes	\$ 0	\$ 193,344	\$ 0	\$ 0
Intergovernmental Revenues	0	0	26,969	17,777
Charges for Services	223,074	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	3,116	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	46	8,902	10	6
Total Revenue	223,120	205,362	26,979	17,783
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	97,527	32,978	0
Judicial	156,651	0	0	0
Public Safety	0	0	0	19,624
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	156,651	97,527	32,978	19,624
Excess (Deficiency) of Revenues Over Expenditures	66,469	107,835	(5,999)	(1,841)
Other Financing Sources (Uses):				
Transfers In	0	0	8,900	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	8,900	0
Net Change in Fund Balances	66,469	107,835	2,901	(1,841)
Fund Balances at Beginning of Year	96,157	228,650	8,327	3,504
Fund Balances End of Year	\$ 162,626	\$ 336,485	\$ 11,228	\$ 1,663

KNOX COUNTY, OHIO

<u>Drug Abuse Resistance Education Grant</u>	<u>Community Policing Grant</u>	<u>Common Pleas Prison Reduction Grant</u>	<u>Common Pleas Jail Diversion Grant</u>	<u>Byrne Drug Court</u>	<u>911 Emergency Calling System</u>	<u>Child Abuse Prevention Grant</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,291,703	\$ 0
23,201	0	0	51,104	103,274	0	17,045
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
6	0	0	15	7	305	0
<u>23,207</u>	<u>0</u>	<u>0</u>	<u>51,119</u>	<u>103,281</u>	<u>1,292,008</u>	<u>17,045</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
19,907	18	0	52,239	84,860	1,207,876	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	11,746
0	0	0	0	0	0	0
<u>19,907</u>	<u>18</u>	<u>0</u>	<u>52,239</u>	<u>84,860</u>	<u>1,207,876</u>	<u>11,746</u>
3,300	(18)	0	(1,120)	18,421	84,132	5,299
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,300	(18)	0	(1,120)	18,421	84,132	5,299
66	18	7	21,040	4,245	1,376,508	250
<u>\$ 3,366</u>	<u>\$ 0</u>	<u>\$ 7</u>	<u>\$ 19,920</u>	<u>\$ 22,666</u>	<u>\$ 1,460,640</u>	<u>\$ 5,549</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, 2005***

	Litter Control and Recycling	Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	78,722	510,098	0	154,134
Charges for Services	0	160,740	496,724	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	17	1,195	31	91
Total Revenue	78,739	672,033	496,755	154,225
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	315,119	0
Judicial	0	0	0	0
Public Safety	0	0	0	141,516
Public Works	0	0	0	0
Health	59,638	0	0	0
Human Services	0	686,391	0	0
Capital Outlay	0	0	0	0
Total Expenditures	59,638	686,391	315,119	141,516
Excess (Deficiency) of Revenues Over Expenditures	19,101	(14,358)	181,636	12,709
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	(14,714)	0	0	0
Total Other Financing Sources (Uses)	(14,714)	0	0	0
Net Change in Fund Balances	4,387	(14,358)	181,636	12,709
Fund Balances at Beginning of Year	6,448	103,784	614,618	109,354
Fund Balances End of Year	\$ 10,835	\$ 89,426	\$ 796,254	\$ 122,063

KNOX COUNTY, OHIO

Ditch Maintenance	Water Resource Study	Emergency Management Agency	Family Resources	Home	Marriage License	Help America Vote Act
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	236,069	32,553	35,150	0	14,889
0	0	0	0	0	16,263	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
6,969	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	404	0	0	0	0
<u>6,969</u>	<u>0</u>	<u>236,473</u>	<u>32,553</u>	<u>35,150</u>	<u>16,263</u>	<u>14,889</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	261,172	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	15,954	0
0	0	0	34,739	66,706	0	0
4,154	0	0	0	0	0	0
<u>4,154</u>	<u>0</u>	<u>261,172</u>	<u>34,739</u>	<u>66,706</u>	<u>15,954</u>	<u>0</u>
2,815	0	(24,699)	(2,186)	(31,556)	309	14,889
0	0	41,000	0	0	0	0
0	0	(11,000)	0	0	0	0
0	0	30,000	0	0	0	0
2,815	0	5,301	(2,186)	(31,556)	309	14,889
1,858	500	123,043	2,376	41,196	679	0
<u>\$ 4,673</u>	<u>\$ 500</u>	<u>\$ 128,344</u>	<u>\$ 190</u>	<u>\$ 9,640</u>	<u>\$ 988</u>	<u>\$ 14,889</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, 2005***

	Storm Water Management	Concealed Handgun License	WIA Programs	Flood Assistance
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	173,676
Charges for Services	38,965	0	0	0
Licenses and Permits	0	5,050	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	324,419	0
Total Revenue	38,965	5,050	324,419	173,676
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	4,290	0	0
Public Works	31,645	0	0	354,752
Health	0	0	0	0
Human Services	0	0	244,824	0
Capital Outlay	0	0	0	0
Total Expenditures	31,645	4,290	244,824	354,752
Excess (Deficiency) of Revenues Over Expenditures	7,320	760	79,595	(181,076)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	(11,700)	0	0	0
Total Other Financing Sources (Uses)	(11,700)	0	0	0
Net Change in Fund Balances	(4,380)	760	79,595	(181,076)
Fund Balances at Beginning of Year	26,000	5,347	21,829	181,076
Fund Balances End of Year	\$ 21,620	\$ 6,107	\$ 101,424	\$ 0

KNOX COUNTY, OHIO

Citizen Corps Program Grant	Supervision Fee	Parenting Seminar	Commissary	Law Enforcement	Drug Abuse Resistance Education	Drug Enforcement
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
9,191	0	0	0	0	0	0
0	6,262	300	49,000	0	0	0
0	0	0	0	0	0	0
0	0	0	0	38	29	0
0	0	0	0	0	0	0
0	0	0	0	125	6,157	0
0	0	0	0	0	0	0
<u>9,191</u>	<u>6,262</u>	<u>300</u>	<u>49,000</u>	<u>163</u>	<u>6,186</u>	<u>0</u>
0	0	0	0	0	0	0
0	2,591	0	0	0	0	0
9,066	0	0	48,248	882	6,473	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>9,066</u>	<u>2,591</u>	<u>0</u>	<u>48,248</u>	<u>882</u>	<u>6,473</u>	<u>0</u>
125	3,671	300	752	(719)	(287)	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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
125	3,671	300	752	(719)	(287)	0
0	0	0	5,215	1,050	4,319	8,168
<u>\$ 125</u>	<u>\$ 3,671</u>	<u>\$ 300</u>	<u>\$ 5,967</u>	<u>\$ 331</u>	<u>\$ 4,032</u>	<u>\$ 8,168</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, 2005***

	Revolving Loan	Calendar	Work Release	Law Enforcement Cadets
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	23,776	0
Licenses and Permits	0	0	0	0
Investment Earnings	5,410	1	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	750
All Other Revenue	0	0	0	0
Total Revenue	5,410	1	23,776	750
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	16	23,276	1,252
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	9,244	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	9,244	16	23,276	1,252
Excess (Deficiency) of Revenues Over Expenditures	(3,834)	(15)	500	(502)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(3,834)	(15)	500	(502)
Fund Balances at Beginning of Year	150,718	159	838	1,806
Fund Balances End of Year	\$ 146,884	\$ 144	\$ 1,338	\$ 1,304

KNOX COUNTY, OHIO

<u>Web Check</u>	<u>Community Mental Health</u>	<u>Senior Citizens</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 671,402	\$ 850,423	\$ 3,006,872
0	70,249	91,991	1,647,664
12,435	0	0	1,146,515
0	0	0	123,266
0	0	0	6,714
0	0	0	10,085
0	0	0	9,113
0	0	0	450,476
<u>12,435</u>	<u>741,651</u>	<u>942,414</u>	<u>6,400,705</u>
0	0	942,648	1,449,063
0	0	0	193,964
9,414	0	0	2,023,214
0	0	0	386,397
0	0	0	182,266
0	741,857	0	1,795,507
0	0	0	4,154
<u>9,414</u>	<u>741,857</u>	<u>942,648</u>	<u>6,034,565</u>
3,021	(206)	(234)	366,140
0	0	0	57,900
0	0	0	(37,414)
<u>0</u>	<u>0</u>	<u>0</u>	<u>20,486</u>
3,021	(206)	(234)	386,626
<u>2,231</u>	<u>1,894</u>	<u>2,525</u>	<u>3,589,377</u>
<u>\$ 5,252</u>	<u>\$ 1,688</u>	<u>\$ 2,291</u>	<u>\$ 3,976,003</u>

KNOX COUNTY, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2005***

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 556,829	\$ 180	\$ 557,009
Due from Other Funds	<u>127,476</u>	<u>0</u>	<u>127,476</u>
Total Assets	<u>\$ 684,305</u>	<u>\$ 180</u>	<u>\$ 684,485</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>635,926</u>	<u>180</u>	<u>636,106</u>
Total Fund Balances	<u>635,926</u>	<u>180</u>	<u>636,106</u>
Total Liabilities and Fund Balances	<u>\$ 684,305</u>	<u>\$ 180</u>	<u>\$ 684,485</u>

KNOX COUNTY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues:			
Special Assessments	\$ 37,155	\$ 0	\$ 37,155
All Other Revenue	<u>214,221</u>	<u>0</u>	<u>214,221</u>
Total Revenue	<u>251,376</u>	<u>0</u>	<u>251,376</u>
Expenditures:			
Debt Service:			
Principal Retirement	660,000	0	660,000
Interest and Fiscal Charges	<u>550,644</u>	<u>0</u>	<u>550,644</u>
Total Expenditures	<u>1,210,644</u>	<u>0</u>	<u>1,210,644</u>
Excess (Deficiency) of Revenues Over Expenditures	(959,268)	0	(959,268)
Other Financing Sources (Uses):			
Transfers In	<u>885,771</u>	<u>0</u>	<u>885,771</u>
Total Other Financing Sources (Uses)	<u>885,771</u>	<u>0</u>	<u>885,771</u>
Net Change in Fund Balances	(73,497)	0	(73,497)
Fund Balances at Beginning of Year	<u>709,423</u>	<u>180</u>	<u>709,603</u>
Fund Balances End of Year	<u>\$ 635,926</u>	<u>\$ 180</u>	<u>\$ 636,106</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005**

	Permanent Improvement	Dog and Kennel Equipment	Sewer Construction	Community Development Block Grant
Assets:				
Cash and Cash Equivalents	\$ 1,219,855	\$ 5,713	\$ 4,718	\$ 6,601
Cash and Cash Equivalents with Fiscal Agent	37,221	0	0	0
Receivables:				
Intergovernmental	0	0	0	404,366
Interest	0	0	108	0
Total Assets	<u>\$ 1,257,076</u>	<u>\$ 5,713</u>	<u>\$ 4,826</u>	<u>\$ 410,967</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 13,495
Contracts Payable	88,768	0	0	0
Deferred Revenue	0	0	0	365,746
Total Liabilities	<u>88,768</u>	<u>0</u>	<u>0</u>	<u>379,241</u>
Fund Balances:				
Reserved for Encumbrances	392,339	0	1,396	4,010
Unreserved, Undesignated in :				
Capital Projects Funds	775,969	5,713	3,430	27,716
Total Fund Balances	<u>1,168,308</u>	<u>5,713</u>	<u>4,826</u>	<u>31,726</u>
Total Liabilities and Fund Balances	<u>\$ 1,257,076</u>	<u>\$ 5,713</u>	<u>\$ 4,826</u>	<u>\$ 410,967</u>

KNOX COUNTY, OHIO

<u>Fredericktown Sewer Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 6,794	\$ 1,243,681
0	37,221
0	404,366
0	108
<u>\$ 6,794</u>	<u>\$ 1,685,376</u>
\$ 0	\$ 13,495
0	88,768
0	365,746
<u>0</u>	<u>468,009</u>
0	397,745
<u>6,794</u>	<u>819,622</u>
<u>6,794</u>	<u>1,217,367</u>
<u>\$ 6,794</u>	<u>\$ 1,685,376</u>

KNOX COUNTY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

	Permanent Improvement	Dog and Kennel Equipment	Issue II	Sewer Construction
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 400,592	\$ 0
Investment Earnings	78	0	0	0
All Other Revenue	0	1,290	0	0
Total Revenue	78	1,290	400,592	0
Expenditures:				
Capital Outlay	783,637	0	400,592	46,773
Total Expenditures	783,637	0	400,592	46,773
Excess (Deficiency) of Revenues Over Expenditures	(783,559)	1,290	0	(46,773)
Other Financing Sources (Uses):				
Transfers In	750,000	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	750,000	0	0	0
Net Change in Fund Balances	(33,559)	1,290	0	(46,773)
Fund Balances at Beginning of Year	1,201,867	4,423	0	51,599
Fund Balances End of Year	\$ 1,168,308	\$ 5,713	\$ 0	\$ 4,826

KNOX COUNTY, OHIO

JFS Training Center	Children's Resource Center	Community Development Block Grant	Fredericktown Sewer Project	Engineering Projects	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 393,854	\$ 0	\$ 725,815	\$ 1,520,261
2	0	15	0	0	95
0	0	0	0	0	1,290
2	0	393,869	0	725,815	1,521,646
0	83	401,718	0	725,815	2,358,618
0	83	401,718	0	725,815	2,358,618
2	(83)	(7,849)	0	0	(836,972)
0	0	0	0	0	750,000
(5)	0	0	0	0	(5)
(5)	0	0	0	0	749,995
(3)	(83)	(7,849)	0	0	(86,977)
3	83	39,575	6,794	0	1,304,344
\$ 0	\$ 0	\$ 31,726	\$ 6,794	\$ 0	\$ 1,217,367

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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,346,852	\$ 7,346,852	\$ 7,732,086	\$ 385,234
Intergovernmental Revenues	1,510,000	1,510,000	1,538,731	28,731
Charges for Services	2,027,456	2,027,456	1,846,306	(181,150)
Licenses and Permits	6,075	6,075	5,563	(512)
Investment Earnings	375,000	375,000	725,542	350,542
Fines and Forfeitures	50,000	50,000	55,608	5,608
All Other Revenues	706,950	706,950	740,067	33,117
Total Revenues	12,022,333	12,022,333	12,643,903	621,570
Expenditures:				
General Government - Legislative and Executive:				
Commissioners:				
Personal Services	276,078	273,078	245,412	27,666
Materials and Supplies	185,012	135,012	131,232	3,780
Contractual Services	171,338	182,730	114,907	67,823
Other Expenditures	410,218	577,229	575,112	2,117
Total Commissioners	1,042,646	1,168,049	1,066,663	101,386
County Microfilming:				
Personal Services	23,225	23,225	22,905	320
Other Expenditures	5,000	5,000	4,490	510
Total County Microfilming	28,225	28,225	27,395	830
Safe/Loss:				
Personal Services	45,800	44,000	42,678	1,322
Materials and Supplies	1,900	1,900	714	1,186
Contractual Services	950	950	149	801
Other Expenditures	950	2,750	2,749	1
Total Safe/Loss	49,600	49,600	46,290	3,310
Regional Planning Commission:				
Personal Services	56,930	56,930	56,930	0
Total Regional Planning Commission	56,930	56,930	56,930	0
Auditor:				
Personal Services	180,773	180,773	178,225	2,548
Materials and Supplies	13,725	13,225	9,859	3,366
Contractual Services	30,932	31,432	29,148	2,284
Other Expenditures	4,000	4,000	3,961	39
Total Auditor	229,430	229,430	221,193	8,237

(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, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Treasurer:				
Personal Services	153,922	152,546	152,544	2
Materials and Supplies	6,871	6,871	4,496	2,375
Contractual Services	9,101	9,065	9,065	0
Other Expenditures	4,442	11,855	11,855	0
Total Treasurer	174,336	180,337	177,960	2,377
Prosecuting Attorney:				
Personal Services	316,300	311,800	301,059	10,741
Materials and Supplies	3,379	5,279	4,945	334
Contractual Services	55,150	73,650	66,196	7,454
Other Expenditures	7,500	9,400	9,105	295
Total Prosecuting Attorney	382,329	400,129	381,305	18,824
Bureau of Inspection:				
Contractual Services	96,817	96,817	89,863	6,954
Total Bureau of Inspection	96,817	96,817	89,863	6,954
Data Processing Board:				
Contractual Services	118,152	118,152	97,073	21,079
Total Data Processing Board	118,152	118,152	97,073	21,079
Board of Elections:				
Personal Services	210,265	210,265	195,201	15,064
Materials and Supplies	8,550	10,550	10,315	235
Contractual Services	25,000	30,296	23,159	7,137
Other Expenditures	7,050	6,050	5,056	994
Total Board of Elections	250,865	257,161	233,731	23,430
Maintenance and Operation:				
Personal Services	225,800	227,300	180,018	47,282
Materials and Supplies	67,347	83,347	62,472	20,875
Contractual Services	813,004	860,504	596,149	264,355
Other Expenditures	102,971	87,971	8,278	79,693
Total Maintenance and Operation	1,209,122	1,259,122	846,917	412,205
Corporate Center - Maintenance and Operation:				
Personal Services	85,500	85,500	84,992	508
Materials and Supplies	12,879	15,879	13,966	1,913
Contractual Services	31,533	45,033	37,924	7,109
Other Expenditures	950	950	555	395
Total Corporate Center - Maintenance and Operation	130,862	147,362	137,437	9,925

(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, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Air Navigation and Facilities:				
Personal Services	80,700	80,700	69,403	11,297
Total Air Navigation and Facilities	<u>80,700</u>	<u>80,700</u>	<u>69,403</u>	<u>11,297</u>
Recorder:				
Personal Services	152,513	144,695	136,181	8,514
Materials and Supplies	6,650	3,332	3,332	0
Contractual Services	12,119	14,054	13,981	73
Other Expenditures	<u>1,900</u>	<u>1,612</u>	<u>1,612</u>	<u>0</u>
Total Recorder	<u>173,182</u>	<u>163,693</u>	<u>155,106</u>	<u>8,587</u>
Insurance, Pension and Taxes:				
Contractual Services	<u>1,522,000</u>	<u>1,522,000</u>	<u>1,264,450</u>	<u>257,550</u>
Total Insurance, Pension and Taxes	<u>1,522,000</u>	<u>1,522,000</u>	<u>1,264,450</u>	<u>257,550</u>
Agriculture:				
Contractual Services	<u>502,172</u>	<u>502,993</u>	<u>502,993</u>	<u>0</u>
Total Agriculture	<u>502,172</u>	<u>502,993</u>	<u>502,993</u>	<u>0</u>
Total General Government - Legislative and Executive	<u>6,047,368</u>	<u>6,260,700</u>	<u>5,374,709</u>	<u>885,991</u>
General Government - Judicial:				
Court of Appeals:				
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>6,786</u>	<u>3,214</u>
Total Court of Appeals	<u>10,000</u>	<u>10,000</u>	<u>6,786</u>	<u>3,214</u>
Common Pleas Court:				
Personal Services	325,160	349,209	344,959	4,250
Materials and Supplies	8,641	10,141	9,837	304
Contractual Services	13,200	18,895	17,064	1,831
Other Expenditures	<u>13,900</u>	<u>14,400</u>	<u>13,359</u>	<u>1,041</u>
Total Common Pleas Court	<u>360,901</u>	<u>392,645</u>	<u>385,219</u>	<u>7,426</u>
Jury Commission:				
Personal Services	1,500	1,500	1,500	0
Contractual Services	<u>500</u>	<u>300</u>	<u>19</u>	<u>281</u>
Total Jury Commission	<u>2,000</u>	<u>1,800</u>	<u>1,519</u>	<u>281</u>
Juvenile Court:				
Personal Services	50	0	0	0
Materials and Supplies	4,500	2,767	2,766	1
Contractual Services	8,268	3,336	3,255	81
Other Expenditures	<u>8,500</u>	<u>6,362</u>	<u>6,107</u>	<u>255</u>
Total Juvenile Court	<u>21,318</u>	<u>12,465</u>	<u>12,128</u>	<u>337</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, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Juvenile Probation:				
Personal Services	341,900	329,319	327,074	2,245
Materials and Supplies	10,000	6,785	6,784	1
Contractual Services	276,761	306,213	304,400	1,813
Other Expenditures	25,000	21,996	21,996	0
Total Juvenile Probation	653,661	664,313	660,254	4,059
Probate Court:				
Personal Services	119,010	117,439	115,553	1,886
Materials and Supplies	5,878	8,348	8,056	292
Contractual Services	15,699	12,262	12,261	1
Other Expenditures	2,975	3,982	3,858	124
Total Probate Court	143,562	142,031	139,728	2,303
Clerk of Courts:				
Personal Services	245,232	242,632	233,197	9,435
Materials and Supplies	9,500	11,600	9,172	2,428
Contractual Services	11,557	11,557	10,819	738
Other Expenditures	2,165	2,665	2,366	299
Total Clerk of Courts	268,454	268,454	255,554	12,900
Municipal Court:				
Personal Services	80,577	80,577	78,260	2,317
Contractual Services	13,305	13,305	12,143	1,162
Total Municipal Court	93,882	93,882	90,403	3,479
Law Library:				
Personal Services	5,900	5,900	1,002	4,898
Other Expenditures	1,000	1,000	0	1,000
Total Law Library	6,900	6,900	1,002	5,898
Public Defender:				
Personal Services	280,239	283,799	283,106	693
Materials and Supplies	1,900	2,400	2,285	115
Contractual Services	6,393	15,393	14,868	525
Other Expenditures	95	95	0	95
Total Public Defender	288,627	301,687	300,259	1,428
Total General Government - Judicial	1,849,305	1,894,177	1,852,852	41,325

(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, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Safety:				
Sheriff:				
Personal Services	1,513,839	1,522,754	1,522,493	261
Materials and Supplies	20,000	28,500	24,189	4,311
Contractual Services	93,462	89,436	88,965	471
Other Expenditures	103,499	115,379	114,004	1,375
Total Sheriff	<u>1,730,800</u>	<u>1,756,069</u>	<u>1,749,651</u>	<u>6,418</u>
Jail:				
Personal Services	1,146,440	1,251,021	1,249,772	1,249
Materials and Supplies	15,000	8,420	7,920	500
Contractual Services	412,200	456,716	441,216	15,500
Other Expenditures	13,000	1,000	232	768
Total Jail	<u>1,586,640</u>	<u>1,717,157</u>	<u>1,699,140</u>	<u>18,017</u>
Coroner:				
Personal Services	31,206	31,206	30,197	1,009
Materials and Supplies	100	100	0	100
Contractual Services	30,100	47,100	41,600	5,500
Other Expenditures	1,275	1,275	325	950
Total Coroner	<u>62,681</u>	<u>79,681</u>	<u>72,122</u>	<u>7,559</u>
Total Public Safety	<u>3,380,121</u>	<u>3,552,907</u>	<u>3,520,913</u>	<u>31,994</u>
Public Works				
Map Department:				
Personal Services	127,505	128,105	128,104	1
Materials and Supplies	3,512	2,347	2,185	162
Other Expenditures	100	0	0	0
Total Map Department	<u>131,117</u>	<u>130,452</u>	<u>130,289</u>	<u>163</u>
Buildings and Grounds:				
Contractual Services	<u>300,306</u>	<u>103,914</u>	<u>66,306</u>	<u>37,608</u>
Total Buildings and Grounds	<u>300,306</u>	<u>103,914</u>	<u>66,306</u>	<u>37,608</u>
Total Public Works	<u>431,423</u>	<u>234,366</u>	<u>196,595</u>	<u>37,771</u>
Health:				
Vital Statistics:				
Other Expenditures	<u>1,200</u>	<u>1,900</u>	<u>1,589</u>	<u>311</u>
Total Vital Statistics	<u>1,200</u>	<u>1,900</u>	<u>1,589</u>	<u>311</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, 2005***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Health:				
Other Expenditures	95,500	95,500	95,430	70
Total Other Health	95,500	95,500	95,430	70
Humane Society:				
Personal Services	9,325	12,575	10,745	1,830
Materials and Supplies	950	950	0	950
Other Expenditures	6,710	4,210	1,435	2,775
Total Humane Society	16,985	17,735	12,180	5,555
Animal Control Officer:				
Personal Services	39,030	39,030	36,998	2,032
Other Expenditures	2,355	2,355	2,123	232
Total Animal Control Officer	41,385	41,385	39,121	2,264
Total Health	155,070	156,520	148,320	8,200
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	38,500	32,911	32,908	3
Materials and Supplies	8,500	10,120	10,120	0
Contractual Services	268,100	242,098	235,877	6,221
Total Soldiers Relief	315,100	285,129	278,905	6,224
Veterans Relief:				
Personal Services	155,215	174,331	174,331	0
Contractual Services	24,100	16,553	16,553	0
Other Expenditures	1,000	1,881	1,881	0
Total Veterans Relief	180,315	192,765	192,765	0
Total Human Services	595,415	577,894	571,670	6,224

(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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Conservation and Recreation:				
Bike Path:				
Contractual Services	9,000	9,000	0	9,000
Total Bike Path	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Total Conservation and Recreation	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Capital Outlay	512,515	521,447	386,962	134,485
Total Expenditures	<u>12,980,217</u>	<u>13,207,011</u>	<u>12,052,021</u>	<u>1,154,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(957,884)	(1,184,678)	591,882	1,776,560
Other Financing Sources (Uses):				
Other Financing Uses	(249,576)	(205,980)	(142,287)	63,693
Transfers In	100,000	100,000	26,414	(73,586)
Transfers Out	<u>(853,240)</u>	<u>(1,580,085)</u>	<u>(1,579,506)</u>	<u>579</u>
Total Other Financing Sources (Uses)	<u>(1,002,816)</u>	<u>(1,686,065)</u>	<u>(1,695,379)</u>	<u>(9,314)</u>
Net Change in Fund Balance	(1,960,700)	(2,870,743)	(1,103,497)	1,767,246
Fund Balance at Beginning of Year	2,883,004	2,883,004	2,883,004	0
Prior Year Encumbrances	<u>273,682</u>	<u>273,682</u>	<u>273,682</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,195,986</u>	<u>\$ 285,943</u>	<u>\$ 2,053,189</u>	<u>\$ 1,767,246</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, 2005**

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
PUBLIC ASSISTANCE FUND				
Revenues:				
Intergovernmental Revenues	\$ 5,000,000	\$ 5,000,000	\$ 2,309,253	\$ (2,690,747)
All Other Revenues	1,175,000	1,175,000	363,755	(811,245)
Total Revenues	6,175,000	6,175,000	2,673,008	(3,501,992)
Expenditures:				
Human Services:				
Personal Services	2,890,011	2,913,247	2,673,950	239,297
Materials and Supplies	190,002	190,002	96,056	93,946
Contractual Services	3,503,031	3,699,031	2,056,917	1,642,114
Other Expenditures	1,151,396	930,160	338,598	591,562
Capital Outlay	111,322	113,322	79,968	33,354
Total Expenditures	7,845,762	7,845,762	5,245,489	2,600,273
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,670,762)	(1,670,762)	(2,572,481)	(901,719)
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	(400,000)	(400,000)	(303,160)	96,840
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(103,160)	96,840
Net Change in Fund Balance	(1,870,762)	(1,870,762)	(2,675,641)	(804,879)
Fund Balance at Beginning of Year	3,097,102	3,097,102	3,097,102	0
Prior Year Encumbrances	413,562	413,562	413,562	0
Fund Balance at End of Year	\$ 1,639,902	\$ 1,639,902	\$ 835,023	\$ (804,879)

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, 2005**

MOTOR VEHICLE AND GASOLINE TAX FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 4,855,000	\$ 4,855,000	\$ 4,665,613	\$ (189,387)
Charges for Services	7,500	7,500	17,226	9,726
Investment Earnings	3,000	3,000	11,320	8,320
Fines and Forfeitures	17,000	17,000	8,676	(8,324)
All Other Revenues	<u>41,500</u>	<u>41,500</u>	<u>106,731</u>	<u>65,231</u>
Total Revenues	<u>4,924,000</u>	<u>4,924,000</u>	<u>4,809,566</u>	<u>(114,434)</u>
Expenditures:				
Public Works:				
Personal Services	1,999,031	1,887,559	1,887,446	113
Materials and Supplies	918,198	1,282,070	1,262,616	19,454
Contractual Services	1,802,349	2,144,933	1,836,914	308,019
Other Expenditures	53,838	34,327	34,204	123
Intergovernmental	62,500	62,603	62,603	0
Capital Outlay	<u>447,337</u>	<u>260,504</u>	<u>260,504</u>	<u>0</u>
Total Expenditures	<u>5,283,253</u>	<u>5,671,996</u>	<u>5,344,287</u>	<u>327,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359,253)	(747,996)	(534,721)	213,275
Fund Balance at Beginning of Year	207,666	207,666	207,666	0
Prior Year Encumbrances	<u>359,253</u>	<u>359,253</u>	<u>359,253</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 207,666</u>	<u>\$ (181,077)</u>	<u>\$ 32,198</u>	<u>\$ 213,275</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, 2005**

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
CHILDREN SERVICES BOARD FUND				
Revenues:				
Taxes	\$ 1,176,300	\$ 1,176,300	\$ 990,784	\$ (185,516)
Intergovernmental Revenues	1,347,000	847,000	888,189	41,189
Charges for Services	210,100	210,100	161,550	(48,550)
All Other Revenues	105,000	105,000	7,768	(97,232)
Total Revenues	<u>2,838,400</u>	<u>2,338,400</u>	<u>2,048,291</u>	<u>(290,109)</u>
Expenditures:				
Human Services:				
Personal Services	913,000	914,000	783,229	130,771
Materials and Supplies	27,500	27,500	4,996	22,504
Contractual Services	1,021,000	1,021,000	487,475	533,525
Other Expenditures	502,161	502,161	285,252	216,909
Capital Outlay	35,000	34,000	787	33,213
Total Expenditures	<u>2,498,661</u>	<u>2,498,661</u>	<u>1,561,739</u>	<u>936,922</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	339,739	(160,261)	486,552	646,813
Other Financing Sources (Uses):				
Advances Out	(300,000)	(300,000)	0	300,000
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>	<u>300,000</u>
Net Change in Fund Balance	39,739	(460,261)	486,552	946,813
Fund Balance at Beginning of Year	2,413,376	2,413,376	2,413,376	0
Prior Year Encumbrances	12,161	12,161	12,161	0
Fund Balance at End of Year	<u>\$ 2,465,276</u>	<u>\$ 1,965,276</u>	<u>\$ 2,912,089</u>	<u>\$ 946,813</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, 2005**

	MENTAL RETARDATION FUND			Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,766,700	\$ 1,299,174	\$ 1,462,668	\$ 163,494
Intergovernmental Revenues	1,650,000	3,356,739	1,559,110	(1,797,629)
All Other Revenues	260,136	428,037	138,586	(289,451)
Total Revenues	<u>3,676,836</u>	<u>5,083,950</u>	<u>3,160,364</u>	<u>(1,923,586)</u>
Expenditures:				
Human Services:				
Personal Services	3,353,679	3,430,965	2,651,712	779,253
Materials and Supplies	230,882	232,882	140,387	92,495
Contractual Services	900,899	2,875,265	890,290	1,984,975
Other Expenditures	1,000	1,410	488	922
Capital Outlay	40,939	28,839	26,978	1,861
Total Expenditures	<u>4,527,399</u>	<u>6,569,361</u>	<u>3,709,855</u>	<u>2,859,506</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(850,563)	(1,485,411)	(549,491)	935,920
Fund Balance at Beginning of Year	1,568,797	1,568,797	1,568,797	0
Prior Year Encumbrances	83,559	83,559	83,559	0
Fund Balance at End of Year	<u>\$ 801,793</u>	<u>\$ 166,945</u>	<u>\$ 1,102,865</u>	<u>\$ 935,920</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, 2005**

	DOG AND KENNEL FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 21,100	\$ 21,100	\$ 16,310	\$ (4,790)
Licenses and Permits	130,000	130,000	117,956	(12,044)
Fines and Forfeitures	3,000	3,000	700	(2,300)
All Other Revenues	750	750	283	(467)
Total Revenues	<u>154,850</u>	<u>154,850</u>	<u>135,249</u>	<u>(19,601)</u>
Expenditures:				
Health:				
Personal Services	101,150	101,150	81,820	19,330
Materials and Supplies	6,525	6,525	4,200	2,325
Contractual Services	15,300	17,300	9,443	7,857
Other Expenditures	19,983	19,983	13,302	6,681
Capital Outlay	35,100	33,100	84	33,016
Total Expenditures	<u>178,058</u>	<u>178,058</u>	<u>108,849</u>	<u>69,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,208)	(23,208)	26,400	49,608
Fund Balance at Beginning of Year	193,702	193,702	193,702	0
Prior Year Encumbrances	1,733	1,733	1,733	0
Fund Balance at End of Year	<u>\$ 172,227</u>	<u>\$ 172,227</u>	<u>\$ 221,835</u>	<u>\$ 49,608</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 9,000	\$ 9,000	\$ 7,635	\$ (1,365)
All Other Revenues	<u>75</u>	<u>75</u>	<u>0</u>	<u>(75)</u>
Total Revenues	<u>9,075</u>	<u>9,075</u>	<u>7,635</u>	<u>(1,440)</u>
Expenditures:				
General Government - Judicial:				
Contractual Services	5,000	9,000	6,758	2,242
Other Expenditures	<u>700</u>	<u>700</u>	<u>90</u>	<u>610</u>
Total Expenditures	<u>5,700</u>	<u>9,700</u>	<u>6,848</u>	<u>2,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,375	(625)	787	1,412
Fund Balance at Beginning of Year	<u>5,693</u>	<u>5,693</u>	<u>5,693</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,068</u>	<u>\$ 5,068</u>	<u>\$ 6,480</u>	<u>\$ 1,412</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, 2005**

	CONDUCT OF BUSINESS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 400	\$ 400	\$ 460	\$ 60
Total Revenues	<u>400</u>	<u>400</u>	<u>460</u>	<u>60</u>
Expenditures:				
General Government - Judicial:				
Other Expenditures	<u>4,200</u>	<u>4,200</u>	<u>1,791</u>	<u>2,409</u>
Total Expenditures	<u>4,200</u>	<u>4,200</u>	<u>1,791</u>	<u>2,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,800)	(3,800)	(1,331)	2,469
Fund Balance at Beginning of Year	<u>4,231</u>	<u>4,231</u>	<u>4,231</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 431</u>	<u>\$ 431</u>	<u>\$ 2,900</u>	<u>\$ 2,469</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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
COURTS COMPUTER FUND				
Revenues:				
Charges for Services	\$ 31,800	\$ 31,800	\$ 31,384	\$ (416)
Investment Earnings	700	700	1,118	418
Total Revenues	<u>32,500</u>	<u>32,500</u>	<u>32,502</u>	<u>2</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	500	500	442	58
Contractual Services	4,000	4,000	3,350	650
Other Expenditures	26,500	26,500	14,747	11,753
Capital Outlay	6,000	6,000	6,000	0
Total Expenditures	<u>37,000</u>	<u>37,000</u>	<u>24,539</u>	<u>12,461</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,500)	(4,500)	7,963	12,463
Fund Balance at Beginning of Year	40,647	40,647	40,647	0
Fund Balance at End of Year	<u>\$ 36,147</u>	<u>\$ 36,147</u>	<u>\$ 48,610</u>	<u>\$ 12,463</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 85,000	\$ 85,000	\$ 60,752	\$ (24,248)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>60,752</u>	<u>(24,248)</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	70,979	70,979	65,876	5,103
Other Expenditures	5,000	5,000	0	5,000
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Total Expenditures	<u>115,979</u>	<u>115,979</u>	<u>65,876</u>	<u>50,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,979)	(30,979)	(5,124)	25,855
Fund Balance at Beginning of Year	29,402	29,402	29,402	0
Prior Year Encumbrances	<u>4,979</u>	<u>4,979</u>	<u>4,979</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,402</u>	<u>\$ 3,402</u>	<u>\$ 29,257</u>	<u>\$ 25,855</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 1,300	\$ 1,300	\$ 2,525	\$ 1,225
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>2,525</u>	<u>1,225</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	1,500	1,500	1,222	278
Other Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,222</u>	<u>278</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,200)	(2,200)	(697)	1,503
Fund Balance at Beginning of Year	<u>3,561</u>	<u>3,561</u>	<u>3,561</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,361</u>	<u>\$ 1,361</u>	<u>\$ 2,864</u>	<u>\$ 1,503</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 8,000	\$ 8,000	\$ 1,500	\$ (6,500)
All Other Revenues	2,000	2,000	1,507	(493)
Total Revenues	10,000	10,000	3,007	(6,993)
Expenditures:				
Public Safety:				
Personal Services	11,455	12,455	11,902	553
Total Expenditures	11,455	12,455	11,902	553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,455)	(2,455)	(8,895)	(6,440)
Other Financing Sources (Uses):				
Transfers In	0	1,000	8,000	7,000
Total Other Financing Sources (Uses)	0	1,000	8,000	7,000
Net Change in Fund Balance	(1,455)	(1,455)	(895)	560
Fund Balance at Beginning of Year	1,455	1,455	1,455	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 560	\$ 560

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, 2005**

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

KNOX COUNTY, OHIO**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005****PROBATE - JUVENILE SPECIAL PROJECT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 6,000	\$ 6,000	\$ 792	\$ (5,208)
All Other Revenues	500	500	3,000	2,500
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>3,792</u>	<u>(2,708)</u>
Expenditures:				
Public Safety:				
Personal Services	7,000	7,000	998	6,002
Contractual Services	6,000	6,400	2,780	3,620
Other Expenditures	9,000	9,000	587	8,413
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>27,000</u>	<u>27,400</u>	<u>4,365</u>	<u>23,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,500)	(20,900)	(573)	20,327
Fund Balance at Beginning of Year	27,243	27,243	27,243	0
Fund Balance at End of Year	<u>\$ 6,743</u>	<u>\$ 6,343</u>	<u>\$ 26,670</u>	<u>\$ 20,327</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,245	\$ 19,245	\$ 0	\$ (19,245)
Total Revenues	<u>19,245</u>	<u>19,245</u>	<u>0</u>	<u>(19,245)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,245	19,245	0	(19,245)
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>\$ 19,245</u>	<u>\$ 19,245</u>	<u>\$ 0</u>	<u>\$ (19,245)</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, 2005**

AFTER HOURS PROBATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 1	\$ 1
Total Revenues	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>
Expenditures:				
Public Safety:				
Personal Services	623	623	580	43
Materials and Supplies	194	194	194	0
Total Expenditures	<u>817</u>	<u>817</u>	<u>774</u>	<u>43</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(817)	(817)	(773)	44
Fund Balance at Beginning of Year	623	623	623	0
Prior Year Encumbrances	194	194	194	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44</u>	<u>\$ 44</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, 2005***

	JUVENILE COURT SOCIAL WORKERS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 52,150	\$ 52,150	\$ 72	\$ (52,078)
All Other Revenues	75,000	75,000	134,863	59,863
Total Revenues	<u>127,150</u>	<u>127,150</u>	<u>134,935</u>	<u>7,785</u>
Expenditures:				
Public Safety:				
Personal Services	107,205	111,058	96,952	14,106
Materials and Supplies	7,000	7,492	1,900	5,592
Contractual Services	29,900	29,340	17,486	11,854
Other Expenditures	21,000	21,000	199	20,801
Capital Outlay	1,000	2,600	960	1,640
Total Expenditures	<u>166,105</u>	<u>171,490</u>	<u>117,497</u>	<u>53,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,955)	(44,340)	17,438	61,778
Other Financing Sources (Uses):				
Advances In	0	0	11,000	11,000
Advances Out	0	(29,086)	(11,000)	18,086
Total Other Financing Sources (Uses)	<u>0</u>	<u>(29,086)</u>	<u>0</u>	<u>29,086</u>
Net Change in Fund Balance	(38,955)	(73,426)	17,438	90,864
Fund Balance at Beginning of Year	94,792	94,792	94,792	0
Fund Balance at End of Year	<u>\$ 55,837</u>	<u>\$ 21,366</u>	<u>\$ 112,230</u>	<u>\$ 90,864</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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 235,000	\$ 235,000	\$ 223,911	\$ (11,089)
All Other Revenues	500	500	46	(454)
Total Revenues	<u>235,500</u>	<u>235,500</u>	<u>223,957</u>	<u>(11,543)</u>
Expenditures:				
General Government - Judicial:				
Personal Services	174,203	173,879	145,499	28,380
Materials and Supplies	4,723	5,623	5,536	87
Contractual Services	6,594	6,318	6,143	175
Other Expenditures	950	1,250	908	342
Capital Outlay	1,000	400	288	112
Total Expenditures	<u>187,470</u>	<u>187,470</u>	<u>158,374</u>	<u>29,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,030	48,030	65,583	17,553
Other Financing Sources (Uses):				
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balance	(51,970)	(51,970)	65,583	117,553
Fund Balance at Beginning of Year	86,502	86,502	86,502	0
Prior Year Encumbrances	745	745	745	0
Fund Balance at End of Year	<u>\$ 35,277</u>	<u>\$ 35,277</u>	<u>\$ 152,830</u>	<u>\$ 117,553</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, 2005**

DELINQUENT TAX ASSESSMENT COLLECTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 12,700	\$ 12,700	\$ 193,344	\$ 180,644
Special Assessments	0	0	3,116	3,116
All Other Revenues	0	0	8,902	8,902
Total Revenues	<u>12,700</u>	<u>12,700</u>	<u>205,362</u>	<u>192,662</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	65,018	65,018	54,101	10,917
Materials and Supplies	1,000	1,000	0	1,000
Contractual Services	36,000	47,000	39,465	7,535
Other Expenditures	4,803	15,803	8,151	7,652
Capital Outlay	4,300	2,300	600	1,700
Total Expenditures	<u>111,121</u>	<u>131,121</u>	<u>102,317</u>	<u>28,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,421)	(118,421)	103,045	221,466
Fund Balance at Beginning of Year	230,307	230,307	230,307	0
Prior Year Encumbrances	2,003	2,003	2,003	0
Fund Balance at End of Year	<u>\$ 133,889</u>	<u>\$ 113,889</u>	<u>\$ 335,355</u>	<u>\$ 221,466</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, 2005**

	VOCA AND SVAA GRANT			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 34,000	\$ 45,200	\$ 26,902	\$ (18,298)
All Other Revenues	100	100	10	(90)
Total Revenues	34,100	45,300	26,912	(18,388)
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	28,981	53,863	27,602	26,261
Materials and Supplies	700	919	903	16
Contractual Services	5,627	4,559	3,946	613
Other Expenditures	1,700	2,832	1,747	1,085
Total Expenditures	37,008	62,173	34,198	27,975
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,908)	(16,873)	(7,286)	9,587
Other Financing Sources (Uses):				
Transfers In	8,100	8,900	8,900	0
Total Other Financing Sources (Uses)	8,100	8,900	8,900	0
Net Change in Fund Balance	5,192	(7,973)	1,614	9,587
Fund Balance at Beginning of Year	6,566	6,566	6,566	0
Prior Year Encumbrances	1,407	1,407	1,407	0
Fund Balance at End of Year	\$ 13,165	\$ 0	\$ 9,587	\$ 9,587

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, 2005**

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 20,000	\$ 20,000	\$ 17,777	\$ (2,223)
All Other Revenues	0	0	6	6
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>17,783</u>	<u>(2,217)</u>
Expenditures:				
Public Safety:				
Personal Services	21,093	18,002	17,552	450
Materials and Supplies	500	500	247	253
Other Expenditures	1,500	1,500	872	628
Capital Outlay	<u>500</u>	<u>3,591</u>	<u>971</u>	<u>2,620</u>
Total Expenditures	<u>23,593</u>	<u>23,593</u>	<u>19,642</u>	<u>3,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,593)	(3,593)	(1,859)	1,734
Fund Balance at Beginning of Year	<u>3,593</u>	<u>3,593</u>	<u>3,593</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,734</u>	<u>\$ 1,734</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 30,000	\$ 30,000	\$ 23,201	\$ (6,799)
All Other Revenues	100	100	6	(94)
Total Revenues	<u>30,100</u>	<u>30,100</u>	<u>23,207</u>	<u>(6,893)</u>
Expenditures:				
Public Safety:				
Personal Services	23,201	23,201	19,942	3,259
Total Expenditures	<u>23,201</u>	<u>23,201</u>	<u>19,942</u>	<u>3,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,899	6,899	3,265	(3,634)
Fund Balance at Beginning of Year	213	213	213	0
Fund Balance at End of Year	<u>\$ 7,112</u>	<u>\$ 7,112</u>	<u>\$ 3,478</u>	<u>\$ (3,634)</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, 2005**

	<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:				
Personal Services	<u> 18</u>	<u> 18</u>	<u> 18</u>	<u> 0</u>
Total Expenditures	<u> 18</u>	<u> 18</u>	<u> 18</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18)	(18)	(18)	0
Fund Balance at Beginning of Year	<u> 18</u>	<u> 18</u>	<u> 18</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Safety:				
Contractual Services	<u> 7</u>	<u> 7</u>	<u> 0</u>	<u> 7</u>
Total Expenditures	<u> 7</u>	<u> 7</u>	<u> 0</u>	<u> 7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7)	(7)	0	7
Fund Balance at Beginning of Year	<u> 7</u>	<u> 7</u>	<u> 7</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 7</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, 2005***

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	\$ 50,000	\$ 50,000	\$ 51,104	\$ 1,104
All Other Revenues	100	100	15	(85)
Total Revenues	<u>50,100</u>	<u>50,100</u>	<u>51,119</u>	<u>1,019</u>
Expenditures:				
Public Safety:				
Personal Services	49,745	50,976	49,397	1,579
Materials and Supplies	419	751	455	296
Contractual Services	1,002	502	498	4
Other Expenditures	0	1,800	1,759	41
Total Expenditures	<u>51,166</u>	<u>54,029</u>	<u>52,109</u>	<u>1,920</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,066)	(3,929)	(990)	2,939
Fund Balance at Beginning of Year	10,957	10,957	10,957	0
Prior Year Encumbrances	62	62	62	0
Fund Balance at End of Year	<u>\$ 9,953</u>	<u>\$ 7,090</u>	<u>\$ 10,029</u>	<u>\$ 2,939</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, 2005**

	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 112,032	\$ 149,047	\$ 108,824	\$ (40,223)
All Other Revenues	<u>0</u>	<u>0</u>	<u>7</u>	<u>7</u>
Total Revenues	<u>112,032</u>	<u>149,047</u>	<u>108,831</u>	<u>(40,216)</u>
Expenditures:				
Public Safety:				
Personal Services	82,899	67,399	48,174	19,225
Contractual Services	<u>31,500</u>	<u>65,938</u>	<u>37,716</u>	<u>28,222</u>
Total Expenditures	<u>114,399</u>	<u>133,337</u>	<u>85,890</u>	<u>47,447</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,367)	15,710	22,941	7,231
Other Financing Sources (Uses):				
Advances In	0	0	11,000	11,000
Advances Out	<u>0</u>	<u>(11,000)</u>	<u>(11,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(11,000)</u>	<u>0</u>	<u>11,000</u>
Net Change in Fund Balance	(2,367)	4,710	22,941	18,231
Fund Balance at Beginning of Year	<u>2,367</u>	<u>2,367</u>	<u>2,367</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,077</u>	<u>\$ 25,308</u>	<u>\$ 18,231</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, 2005**

911 EMERGENCY CALLING SYSTEM FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,301,751	\$ 201,751
All Other Revenues	5,500	5,500	305	(5,195)
Total Revenues	<u>1,105,500</u>	<u>1,105,500</u>	<u>1,302,056</u>	<u>196,556</u>
Expenditures:				
Public Safety:				
Personal Services	1,899,365	1,899,365	1,112,250	787,115
Materials and Supplies	7,906	7,906	6,967	939
Contractual Services	120,340	120,340	16,252	104,088
Other Expenditures	75,828	75,828	18,083	57,745
Capital Outlay	327,464	327,464	70,403	257,061
Total Expenditures	<u>2,430,903</u>	<u>2,430,903</u>	<u>1,223,955</u>	<u>1,206,948</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,325,403)	(1,325,403)	78,101	1,403,504
Fund Balance at Beginning of Year	1,313,981	1,313,981	1,313,981	0
Prior Year Encumbrances	11,903	11,903	11,903	0
Fund Balance at End of Year	<u>\$ 481</u>	<u>\$ 481</u>	<u>\$ 1,403,985</u>	<u>\$ 1,403,504</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 17,045</u>	<u>\$ (955)</u>
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>17,045</u>	<u>(955)</u>
Expenditures:				
Human Services:				
Contractual Services	<u>18,250</u>	<u>18,250</u>	<u>11,746</u>	<u>6,504</u>
Total Expenditures	<u>18,250</u>	<u>18,250</u>	<u>11,746</u>	<u>6,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250)	(250)	5,299	5,549
Fund Balance at Beginning of Year	<u>250</u>	<u>250</u>	<u>250</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,549</u>	<u>\$ 5,549</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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
LITTER CONTROL AND RECYCLING FUND				
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 78,722	\$ 78,722
Charges for Services	78,000	78,000	0	(78,000)
All Other Revenues	500	500	17	(483)
Total Revenues	78,500	78,500	78,739	239
Expenditures:				
Health:				
Personal Services	45,289	45,769	37,084	8,685
Materials and Supplies	5,308	5,021	3,279	1,742
Contractual Services	17,747	17,554	17,387	167
Other Expenditures	2,864	2,864	2,578	286
Total Expenditures	71,208	71,208	60,328	10,880
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,292	7,292	18,411	11,119
Other Financing Sources (Uses):				
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(7,214)	(14,714)	(14,714)	0
Total Other Financing Sources (Uses)	(2,214)	(9,714)	(14,714)	(5,000)
Net Change in Fund Balance	5,078	(2,422)	3,697	6,119
Fund Balance at Beginning of Year	3,169	3,169	3,169	0
Prior Year Encumbrances	882	882	882	0
Fund Balance at End of Year	\$ 9,129	\$ 1,629	\$ 7,748	\$ 6,119

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, 2005**

CHILD SUPPORT ENFORCEMENT AGENCY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 600,000	\$ 473,000	\$ 510,098	\$ 37,098
Charges for Services	240,000	240,000	160,335	(79,665)
All Other Revenues	2,500	2,500	1,195	(1,305)
Total Revenues	<u>842,500</u>	<u>715,500</u>	<u>671,628</u>	<u>(43,872)</u>
Expenditures:				
Human Services:				
Personal Services	541,447	547,592	514,688	32,904
Materials and Supplies	5,028	5,028	529	4,499
Contractual Services	339,339	213,339	194,920	18,419
Other Expenditures	88,465	81,320	22,256	59,064
Capital Outlay	8,398	8,398	4,293	4,105
Total Expenditures	<u>982,677</u>	<u>855,677</u>	<u>736,686</u>	<u>118,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,177)	(140,177)	(65,058)	75,119
Fund Balance at Beginning of Year	122,278	122,278	122,278	0
Prior Year Encumbrances	17,900	17,900	17,900	0
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 75,120</u>	<u>\$ 75,119</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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL ESTATE ASSESSMENT FUND				
Revenues:				
Charges for Services	\$ 492,000	\$ 492,000	\$ 496,724	\$ 4,724
All Other Revenues	500	500	31	(469)
Total Revenues	<u>492,500</u>	<u>492,500</u>	<u>496,755</u>	<u>4,255</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	223,800	230,158	230,059	99
Materials and Supplies	15,000	15,000	4,691	10,309
Contractual Services	126,722	126,722	99,598	27,124
Other Expenditures	11,000	11,000	1,779	9,221
Capital Outlay	15,000	15,000	1,240	13,760
Total Expenditures	<u>391,522</u>	<u>397,880</u>	<u>337,367</u>	<u>60,513</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,978	94,620	159,388	64,768
Fund Balance at Beginning of Year	617,487	617,487	617,487	0
Prior Year Encumbrances	14,722	14,722	14,722	0
Fund Balance at End of Year	<u>\$ 733,187</u>	<u>\$ 726,829</u>	<u>\$ 791,597</u>	<u>\$ 64,768</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 360,000	\$ 146,000	\$ 162,322	\$ 16,322
All Other Revenues	<u>1,100</u>	<u>100</u>	<u>91</u>	<u>(9)</u>
Total Revenues	<u>361,100</u>	<u>146,100</u>	<u>162,413</u>	<u>16,313</u>
Expenditures:				
Public Safety:				
Personal Services	<u>170,830</u>	<u>239,847</u>	<u>143,573</u>	<u>96,274</u>
Total Expenditures	<u>170,830</u>	<u>239,847</u>	<u>143,573</u>	<u>96,274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	190,270	(93,747)	18,840	112,587
Fund Balance at Beginning of Year	<u>97,171</u>	<u>97,171</u>	<u>97,171</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 287,441</u>	<u>\$ 3,424</u>	<u>\$ 116,011</u>	<u>\$ 112,587</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 8,965	\$ 8,965	\$ 6,969	\$ (1,996)
Total Revenues	<u>8,965</u>	<u>8,965</u>	<u>6,969</u>	<u>(1,996)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	14,000	14,000	4,154	9,846
Other Expenditures	<u>80</u>	<u>80</u>	<u>0</u>	<u>80</u>
Total Expenditures	<u>14,080</u>	<u>14,080</u>	<u>4,154</u>	<u>9,926</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,115)	(5,115)	2,815	7,930
Fund Balance at Beginning of Year	<u>8,858</u>	<u>8,858</u>	<u>8,858</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,743</u>	<u>\$ 3,743</u>	<u>\$ 11,673</u>	<u>\$ 7,930</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, 2005**

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

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	EMERGENCY MANAGEMENT AGENCY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 380,500	\$ 405,500	\$ 194,924	\$ (210,576)
All Other Revenues	1,300	1,300	404	(896)
Total Revenues	<u>381,800</u>	<u>406,800</u>	<u>195,328</u>	<u>(211,472)</u>
Expenditures:				
Public Safety:				
Personal Services	113,556	85,304	80,568	4,736
Materials and Supplies	1,950	1,950	1,735	215
Contractual Services	5,830	5,830	1,333	4,497
Other Expenditures	43,398	23,390	15,266	8,124
Capital Outlay	272,670	448,121	235,750	212,371
Total Expenditures	<u>437,404</u>	<u>564,595</u>	<u>334,652</u>	<u>229,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,604)	(157,795)	(139,324)	18,471
Other Financing Sources (Uses):				
Transfers In	50,000	50,000	41,000	(9,000)
Transfers Out	(11,000)	(11,000)	(11,000)	0
Total Other Financing Sources (Uses)	<u>39,000</u>	<u>39,000</u>	<u>30,000</u>	<u>(9,000)</u>
Net Change in Fund Balance	(16,604)	(118,795)	(109,324)	9,471
Fund Balance at Beginning of Year	98,887	98,887	98,887	0
Prior Year Encumbrances	52,029	52,029	52,029	0
Fund Balance at End of Year	<u>\$ 134,312</u>	<u>\$ 32,121</u>	<u>\$ 41,592</u>	<u>\$ 9,471</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, 2005**

	FAMILY RESOURCES FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 30,816	\$ 32,553	\$ 32,553	\$ 0
Total Revenues	<u>30,816</u>	<u>32,553</u>	<u>32,553</u>	<u>0</u>
Expenditures:				
Human Services:				
Personal Services	2,020	0	0	0
Contractual Services	33,983	1,077	1,077	0
Other Expenditures	0	36,749	33,423	3,326
Total Expenditures	<u>36,003</u>	<u>37,826</u>	<u>34,500</u>	<u>3,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,187)	(5,273)	(1,947)	3,326
Fund Balance at Beginning of Year	5,273	5,273	5,273	0
Fund Balance at End of Year	<u>\$ 86</u>	<u>\$ 0</u>	<u>\$ 3,326</u>	<u>\$ 3,326</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, 2005**

	HOME FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 229,200	\$ 23,350	\$ (205,850)
Total Revenues	<u>100,000</u>	<u>229,200</u>	<u>23,350</u>	<u>(205,850)</u>
Expenditures:				
Human Services:				
Capital Outlay	<u>133,581</u>	<u>271,681</u>	<u>65,838</u>	<u>205,843</u>
Total Expenditures	<u>133,581</u>	<u>271,681</u>	<u>65,838</u>	<u>205,843</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,581)	(42,481)	(42,488)	(7)
Fund Balance at Beginning of Year	38,923	38,923	38,923	0
Prior Year Encumbrances	<u>3,581</u>	<u>3,581</u>	<u>3,581</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,923</u>	<u>\$ 23</u>	<u>\$ 16</u>	<u>\$ (7)</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, 2005**

	MARRIAGE LICENSE FUND			Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	\$ 15,400	\$ 15,954	\$ 15,954	\$ 0
Total Revenues	<u>15,400</u>	<u>15,954</u>	<u>15,954</u>	<u>0</u>
Expenditures:				
Health:				
Contractual Services	<u>15,400</u>	<u>15,954</u>	<u>15,954</u>	<u>0</u>
Total Expenditures	<u>15,400</u>	<u>15,954</u>	<u>15,954</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, 2005**

HELP AMERICA VOTE ACT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 14,889	\$ 14,889
Total Revenues	<u>0</u>	<u>0</u>	<u>14,889</u>	<u>14,889</u>
Expenditures:				
General Government - Legislative and Executive:				
Capital Outlay	8,000	8,000	0	8,000
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,000)	(8,000)	14,889	22,889
Other Financing Sources (Uses):				
Transfers In	8,000	8,000	0	(8,000)
Total Other Financing Sources (Uses)	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>(8,000)</u>
Net Change in Fund Balance	0	0	14,889	14,889
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>\$ 14,889</u>	<u>\$ 14,889</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, 2005****STORM WATER MANAGEMENT FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 30,000	\$ 36,000	\$ 38,965	\$ 2,965
Total Revenues	<u>30,000</u>	<u>36,000</u>	<u>38,965</u>	<u>2,965</u>
Expenditures:				
Public Works:				
Personal Services	0	30,284	26,826	3,458
Contractual Services	51,000	0	0	0
Other Expenditures	<u>5,000</u>	<u>4,600</u>	<u>2,900</u>	<u>1,700</u>
Total Expenditures	<u>56,000</u>	<u>34,884</u>	<u>29,726</u>	<u>5,158</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(26,000)	1,116	9,239	8,123
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(27,116)</u>	<u>(11,700)</u>	<u>15,416</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(27,116)</u>	<u>(11,700)</u>	<u>15,416</u>
Net Change in Fund Balance	(26,000)	(26,000)	(2,461)	23,539
Fund Balance at Beginning of Year	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,539</u>	<u>\$ 23,539</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 5,400	\$ 5,400	\$ 5,050	\$ (350)
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>5,050</u>	<u>(350)</u>
Expenditures:				
Public Safety:				
Contractual Services	5,000	6,660	6,160	500
Capital Outlay	<u>5,842</u>	<u>4,182</u>	<u>0</u>	<u>4,182</u>
Total Expenditures	<u>10,842</u>	<u>10,842</u>	<u>6,160</u>	<u>4,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,442)	(5,442)	(1,110)	4,332
Fund Balance at Beginning of Year	<u>5,442</u>	<u>5,442</u>	<u>5,442</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,332</u>	<u>\$ 4,332</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, 2005**

	WIA PROGRAMS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
All Other Revenues	\$ 270,000	\$ 220,000	\$ 367,027	\$ 147,027
Total Revenues	<u>270,000</u>	<u>220,000</u>	<u>367,027</u>	<u>147,027</u>
Expenditures:				
Human Services:				
Personal Services	10,425	5,425	2,489	2,936
Contractual Services	250,000	226,997	194,136	32,861
Capital Outlay	81,346	88,346	88,289	57
Total Expenditures	<u>341,771</u>	<u>320,768</u>	<u>284,914</u>	<u>35,854</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,771)	(100,768)	82,113	182,881
Other Financing Sources (Uses):				
Advances In	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>(35,000)</u>
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>(35,000)</u>
Net Change in Fund Balance	(36,771)	(65,768)	82,113	147,881
Fund Balance at Beginning of Year	28,997	28,997	28,997	0
Prior Year Encumbrances	<u>36,771</u>	<u>36,771</u>	<u>36,771</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,997</u>	<u>\$ 0</u>	<u>\$ 147,881</u>	<u>\$ 147,881</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, 2005***

	FLOOD ASSISTANCE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 354,752	\$ 173,676	\$ (181,076)
Total Revenues	<u>0</u>	<u>354,752</u>	<u>173,676</u>	<u>(181,076)</u>
Expenditures:				
Public Works:				
Contractual Services	0	354,752	354,752	0
Total Expenditures	<u>0</u>	<u>354,752</u>	<u>354,752</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(181,076)	(181,076)
Fund Balance at Beginning of Year	<u>181,076</u>	<u>181,076</u>	<u>181,076</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 181,076</u>	<u>\$ 181,076</u>	<u>\$ 0</u>	<u>\$ (181,076)</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, 2005**

CITIZEN CORPS PROGRAM GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 16,000	\$ 8,595	\$ (7,405)
Total Revenues	<u>0</u>	<u>16,000</u>	<u>8,595</u>	<u>(7,405)</u>
Expenditures:				
Public Safety:				
Personal Services	0	6,250	5,716	534
Capital Outlay	0	9,750	2,860	6,890
Total Expenditures	<u>0</u>	<u>16,000</u>	<u>8,576</u>	<u>7,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	19	19
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>\$ 19</u>	<u>\$ 19</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005**

	SUPERVISION FEE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 0	\$ 3,500	\$ 5,792	\$ 2,292
Total Revenues	<u>0</u>	<u>3,500</u>	<u>5,792</u>	<u>2,292</u>
Expenditures:				
General Government - Judicial:				
Personal Services	0	200	0	200
Other Expenditures	0	2,366	2,226	140
Capital Outlay	0	934	365	569
Total Expenditures	<u>0</u>	<u>3,500</u>	<u>2,591</u>	<u>909</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	3,201	3,201
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>\$ 3,201</u>	<u>\$ 3,201</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, 2005**

	PARENTING SEMINAR FUND			Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Charges for Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 300</u>	<u>\$ 300</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>300</u>	<u>300</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	300	300
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>\$ 300</u>	<u>\$ 300</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 802,000	\$ 802,000	\$ 671,608	\$ (130,392)
Intergovernmental Revenues	<u>68,000</u>	<u>68,000</u>	<u>70,249</u>	<u>2,249</u>
Total Revenues	<u>870,000</u>	<u>870,000</u>	<u>741,857</u>	<u>(128,143)</u>
Expenditures:				
Human Services:				
Contractual Services	<u>870,000</u>	<u>870,000</u>	<u>741,857</u>	<u>128,143</u>
Total Expenditures	<u>870,000</u>	<u>870,000</u>	<u>741,857</u>	<u>128,143</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, 2005**

SENIOR CITIZENS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 813,400	\$ 847,648	\$ 850,657	\$ 3,009
Intergovernmental Revenues	95,000	95,000	91,991	(3,009)
Total Revenues	<u>908,400</u>	<u>942,648</u>	<u>942,648</u>	<u>0</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	908,400	942,648	942,648	0
Total Expenditures	<u>908,400</u>	<u>942,648</u>	<u>942,648</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, 2005**

	BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 225,000	\$ 225,000	\$ 37,155	\$ (187,845)
All Other Revenues	96,070	96,070	214,221	118,151
Total Revenues	<u>321,070</u>	<u>321,070</u>	<u>251,376</u>	<u>(69,694)</u>
Expenditures:				
Debt Service:				
Principal Retirement	805,300	775,300	660,000	115,300
Interest and Fiscal Charges	674,090	704,090	550,644	153,446
Total Expenditures	<u>1,479,390</u>	<u>1,479,390</u>	<u>1,210,644</u>	<u>268,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,158,320)	(1,158,320)	(959,268)	199,052
Other Financing Sources (Uses):				
Transfers In	1,014,858	1,014,858	885,771	(129,087)
Total Other Financing Sources (Uses)	<u>1,014,858</u>	<u>1,014,858</u>	<u>885,771</u>	<u>(129,087)</u>
Net Change in Fund Balance	(143,462)	(143,462)	(73,497)	69,965
Fund Balance at Beginning of Year	630,326	630,326	630,326	0
Fund Balance at End of Year	<u>\$ 486,864</u>	<u>\$ 486,864</u>	<u>\$ 556,829</u>	<u>\$ 69,965</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, 2005**

OHIO WATER DEVELOPMENT AUTHORITY FUND

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

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2005**

	<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:				
Debt Service:				
Principal Retirement	<u>0</u>	<u>7,395</u>	<u>0</u>	<u>7,395</u>
Total Expenditures	<u>0</u>	<u>7,395</u>	<u>0</u>	<u>7,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(7,395)	0	7,395
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>7,395</u>	<u>0</u>	<u>(7,395)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>7,395</u>	<u>0</u>	<u>(7,395)</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 Capital Projects Funds
For the Year Ended December 31, 2005**

	PERMANENT IMPROVEMENT FUND			Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Contractual Services	1,351,596	1,351,596	1,212,138	139,458
Total Expenditures	1,351,596	1,351,596	1,212,138	139,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,351,596)	(1,351,596)	(1,212,138)	139,458
Other Financing Sources (Uses):				
Transfers In	400,000	400,000	750,000	350,000
Total Other Financing Sources (Uses)	400,000	400,000	750,000	350,000
Net Change in Fund Balance	(951,596)	(951,596)	(462,138)	489,458
Fund Balance at Beginning of Year	1,199,290	1,199,290	1,199,290	0
Prior Year Encumbrances	1,596	1,596	1,596	0
Fund Balance at End of Year	\$ 249,290	\$ 249,290	\$ 738,748	\$ 489,458

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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 500	\$ 500	\$ 1,290	\$ 790
Total Revenues	<u>500</u>	<u>500</u>	<u>1,290</u>	<u>790</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	4,900	4,900	0	4,900
Total Expenditures	<u>4,900</u>	<u>4,900</u>	<u>0</u>	<u>4,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,400)	(4,400)	1,290	5,690
Fund Balance at Beginning of Year	4,423	4,423	4,423	0
Fund Balance at End of Year	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 5,713</u>	<u>\$ 5,690</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, 2005**

	ISSUE II FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 400,592	\$ 400,592	\$ 0
Total Revenues	<u>0</u>	<u>400,592</u>	<u>400,592</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Other Expenditures	0	400,592	400,592	0
Total Expenditures	<u>0</u>	<u>400,592</u>	<u>400,592</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005**

SEWER CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay:				
Contractual Services	51,471	51,471	48,149	3,322
Total Expenditures	<u>51,471</u>	<u>51,471</u>	<u>48,149</u>	<u>3,322</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(51,471)	(51,471)	(48,149)	3,322
Fund Balance at Beginning of Year	3,322	3,322	3,322	0
Prior Year Encumbrances	48,149	48,149	48,149	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,322</u>	<u>\$ 3,322</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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
Revenues:				
Investment Earnings	<u>\$ 0</u>	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$ (1)</u>
Total Revenues	<u>0</u>	<u>6</u>	<u>5</u>	<u>(1)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	6	5	(1)
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(6)</u>	<u>(5)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(6)</u>	<u>(5)</u>	<u>1</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 Capital Projects Funds
For the Year Ended December 31, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 440,500	\$ 809,300	\$ 355,234	\$ (454,066)
Investment Earnings	50	50	17	(33)
Total Revenues	<u>440,550</u>	<u>809,350</u>	<u>355,251</u>	<u>(454,099)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>480,254</u>	<u>849,054</u>	<u>392,365</u>	<u>456,689</u>
Total Expenditures	<u>480,254</u>	<u>849,054</u>	<u>392,365</u>	<u>456,689</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,704)	(39,704)	(37,114)	2,590
Fund Balance at Beginning of Year	28,775	28,775	28,775	0
Prior Year Encumbrances	<u>10,930</u>	<u>10,930</u>	<u>10,930</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2,591</u>	<u>\$ 2,590</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, 2005**

	<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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 1,084,705</u>	<u>\$ 725,815</u>	<u>\$ (358,890)</u>
Total Revenues	<u> 0</u>	<u> 1,084,705</u>	<u> 725,815</u>	<u> (358,890)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u> 0</u>	<u> 1,084,705</u>	<u> 725,815</u>	<u> 358,890</u>
Total Expenditures	<u> 0</u>	<u> 1,084,705</u>	<u> 725,815</u>	<u> 358,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance at Beginning of Year	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Fiduciary Funds

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

Agency Funds

District Board of Health Fund

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

Soil and Water Conservation Fund

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

Corporation Fund

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

Local Government Fund

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

Law Library Fund

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

Library Support Fund

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

Lodging Tax Fund

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

(Continued)

Agency Funds

Cigarette Tax Fund

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

Manufactured Home Tax Fund

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

County Court Agency Fund

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

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

Undivided Personal Property Tax Fund

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

Estate Tax Fund

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

Undivided Real Estate Tax Fund

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

Regional Planning Commission Fund

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

Workers Compensation Fund

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

Alimony and Child Support Fund

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

(Continued)

Agency Funds

Inmate Fund

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

Township Fund

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

Payroll Fund

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

KNOX COUNTY, OHIO

***Combining Statement Of Assets and Liabilities
Agency Funds
December 31, 2005***

	Undivided Personal Property Tax	Undivided Real Estate Tax	All Other Agency	Totals
Assets:				
Cash and Cash Equivalents	\$175,487	\$1,746,160	\$1,833,617	\$3,755,264
Cash and Cash Equivalents in Segregated Accounts	0	0	651,527	651,527
Receivables:				
Taxes	5,950,470	45,401,090	0	51,351,560
Accounts	0	0	6,172	6,172
Special Assessments	0	141	0	141
Due from Other Governments	0	0	3,211,979	3,211,979
Total Assets	<u>\$6,125,957</u>	<u>\$47,147,391</u>	<u>\$5,703,295</u>	<u>\$58,976,643</u>
Liabilities:				
Due to Other Governments	\$6,125,957	\$47,147,391	\$3,693,440	\$56,966,788
Undistributed Monies	0	0	644,862	644,862
Due to Others	0	0	1,364,993	1,364,993
Total Liabilities	<u>\$6,125,957</u>	<u>\$47,147,391</u>	<u>\$5,703,295</u>	<u>\$58,976,643</u>

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
<u>District Board of Health</u>				
Assets:				
Cash and Cash Equivalents	\$ 1,253,367	\$ 3,079,270	\$ (3,142,705)	\$ 1,189,932
Total Assets	<u>\$ 1,253,367</u>	<u>\$ 3,079,270</u>	<u>\$ (3,142,705)</u>	<u>\$ 1,189,932</u>
Liabilities:				
Due to Others	\$ 1,253,367	\$ 3,079,270	\$ (3,142,705)	\$ 1,189,932
Total Liabilities	<u>\$ 1,253,367</u>	<u>\$ 3,079,270</u>	<u>\$ (3,142,705)</u>	<u>\$ 1,189,932</u>
<u>Soil and Water Conservation</u>				
Assets:				
Cash and Cash Equivalents	\$ 129,838	\$ 259,402	\$ (268,543)	\$ 120,697
Total Assets	<u>\$ 129,838</u>	<u>\$ 259,402</u>	<u>\$ (268,543)</u>	<u>\$ 120,697</u>
Liabilities:				
Due to Others	\$ 129,838	\$ 259,402	\$ (268,543)	\$ 120,697
Total Liabilities	<u>\$ 129,838</u>	<u>\$ 259,402</u>	<u>\$ (268,543)</u>	<u>\$ 120,697</u>
<u>Corporation</u>				
Assets:				
Cash and Cash Equivalents	\$ 73,637	\$ 888,097	\$ (868,086)	\$ 93,648
Due from Other Governments	181,459	189,294	(181,459)	189,294
Total Assets	<u>\$ 255,096</u>	<u>\$ 1,077,391</u>	<u>\$ (1,049,545)</u>	<u>\$ 282,942</u>
Liabilities:				
Due to Other Governments	\$ 255,096	\$ 1,077,391	\$ (1,049,545)	\$ 282,942
Total Liabilities	<u>\$ 255,096</u>	<u>\$ 1,077,391</u>	<u>\$ (1,049,545)</u>	<u>\$ 282,942</u>
<u>Local Government</u>				
Assets:				
Due from Other Governments	\$ 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:				
Due to Other Governments	\$ 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>
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 17,004	\$ (17,004)	\$ 0
Due From Other Governments	0	665	0	665
Total Assets	<u>\$ 0</u>	<u>\$ 17,669</u>	<u>\$ (17,004)</u>	<u>\$ 665</u>
Liabilities:				
Due to Other Governments	\$ 0	\$ 17,669	\$ (17,004)	\$ 665
Total Liabilities	<u>\$ 0</u>	<u>\$ 17,669</u>	<u>\$ (17,004)</u>	<u>\$ 665</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
Library Support				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 1,893,770	\$ (1,893,770)	\$ 0
Due From Other Governments	850,190	850,190	(850,190)	850,190
Total Assets	<u>\$ 850,190</u>	<u>\$ 2,743,960</u>	<u>\$ (2,743,960)</u>	<u>\$ 850,190</u>
Liabilities:				
Due to Other Governments	\$ 850,190	\$ 2,743,960	\$ (2,743,960)	\$ 850,190
Total Liabilities	<u>\$ 850,190</u>	<u>\$ 2,743,960</u>	<u>\$ (2,743,960)</u>	<u>\$ 850,190</u>
Lodging Tax				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 127,383	\$ (127,383)	\$ 0
Accounts Receivable	10,150	6,172	(10,150)	6,172
Total Assets	<u>\$ 10,150</u>	<u>\$ 133,555</u>	<u>\$ (137,533)</u>	<u>\$ 6,172</u>
Liabilities:				
Due to Others	\$ 10,150	\$ 133,555	\$ (137,533)	\$ 6,172
Total Liabilities	<u>\$ 10,150</u>	<u>\$ 133,555</u>	<u>\$ (137,533)</u>	<u>\$ 6,172</u>
Cigarette Tax				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 2,480	\$ (2,466)	\$ 14
Total Assets	<u>\$ 0</u>	<u>\$ 2,480</u>	<u>\$ (2,466)</u>	<u>\$ 14</u>
Liabilities:				
Due to Other Governments	\$ 0	\$ 2,480	\$ (2,466)	\$ 14
Total Liabilities	<u>\$ 0</u>	<u>\$ 2,480</u>	<u>\$ (2,466)</u>	<u>\$ 14</u>
Manufactured Home Tax				
Assets:				
Cash and Cash Equivalents	\$ 30,464	\$ 236,442	\$ (243,990)	\$ 22,916
Total Assets	<u>\$ 30,464</u>	<u>\$ 236,442</u>	<u>\$ (243,990)</u>	<u>\$ 22,916</u>
Liabilities:				
Due to Other Governments	\$ 30,464	\$ 236,442	\$ (243,990)	\$ 22,916
Total Liabilities	<u>\$ 30,464</u>	<u>\$ 236,442</u>	<u>\$ (243,990)</u>	<u>\$ 22,916</u>
County Court Agency Fund				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 272,835	\$ 10,120,970	\$ (9,748,943)	\$ 644,862
Total Assets	<u>\$ 272,835</u>	<u>\$ 10,120,970</u>	<u>\$ (9,748,943)</u>	<u>\$ 644,862</u>
Liabilities:				
Due to Other Governments	\$ 0	\$ 6,735,063	\$ (6,735,063)	\$ 0
Undistributed Monies	272,835	644,862	(272,835)	644,862
Due to Others	0	2,741,045	(2,741,045)	0
Total Liabilities	<u>\$ 272,835</u>	<u>\$ 10,120,970</u>	<u>\$ (9,748,943)</u>	<u>\$ 644,862</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
Undivided Personal Property Tax				
Assets:				
Cash and Cash Equivalents	\$ 784,500	\$ 5,655,168	\$ (6,264,181)	\$ 175,487
Receivables:				
Taxes	6,234,907	5,950,470	(6,234,907)	5,950,470
Total Assets	<u>\$ 7,019,407</u>	<u>\$ 11,605,638</u>	<u>\$ (12,499,088)</u>	<u>\$ 6,125,957</u>
Liabilities:				
Due to Other Governments	\$ 7,019,407	\$ 11,605,638	\$ (12,499,088)	\$ 6,125,957
Total Liabilities	<u>\$ 7,019,407</u>	<u>\$ 11,605,638</u>	<u>\$ (12,499,088)</u>	<u>\$ 6,125,957</u>
Estate Tax				
Assets:				
Cash and Cash Equivalents	\$ 182,623	\$ 863,672	\$ (835,599)	\$ 210,696
Total Assets	<u>\$ 182,623</u>	<u>\$ 863,672</u>	<u>\$ (835,599)</u>	<u>\$ 210,696</u>
Liabilities:				
Due to Other Governments	\$ 182,623	\$ 863,672	\$ (835,599)	\$ 210,696
Total Liabilities	<u>\$ 182,623</u>	<u>\$ 863,672</u>	<u>\$ (835,599)</u>	<u>\$ 210,696</u>
Undivided Real Estate Tax				
Assets:				
Cash and Cash Equivalents	\$ 1,603,050	\$ 39,997,259	\$ (39,854,149)	\$ 1,746,160
Receivables:				
Taxes	42,735,944	45,401,090	(42,735,944)	45,401,090
Special Assessments	9,630	141	(9,630)	141
Total Assets	<u>\$ 44,348,624</u>	<u>\$ 85,398,490</u>	<u>\$ (82,599,723)</u>	<u>\$ 47,147,391</u>
Liabilities:				
Due to Other Governments	\$ 44,348,624	\$ 85,398,490	\$ (82,599,723)	\$ 47,147,391
Total Liabilities	<u>\$ 44,348,624</u>	<u>\$ 85,398,490</u>	<u>\$ (82,599,723)</u>	<u>\$ 47,147,391</u>
Regional Planning Commission				
Assets:				
Cash and Cash Equivalents	\$ 37,428	\$ 90,776	\$ (87,344)	\$ 40,860
Total Assets	<u>\$ 37,428</u>	<u>\$ 90,776</u>	<u>\$ (87,344)</u>	<u>\$ 40,860</u>
Liabilities:				
Due to Others	\$ 37,428	\$ 90,776	\$ (87,344)	\$ 40,860
Total Liabilities	<u>\$ 37,428</u>	<u>\$ 90,776</u>	<u>\$ (87,344)</u>	<u>\$ 40,860</u>
Workers' Compensation				
Assets:				
Cash and Cash Equivalents	\$ 3,641	\$ 132,330	\$ (135,971)	\$ 0
Due from Other Governments	11,016	12,573	(11,016)	12,573
Total Assets	<u>\$ 14,657</u>	<u>\$ 144,903</u>	<u>\$ (146,987)</u>	<u>\$ 12,573</u>
Liabilities:				
Due to Other Governments	\$ 14,657	\$ 144,903	\$ (146,987)	\$ 12,573
Total Liabilities	<u>\$ 14,657</u>	<u>\$ 144,903</u>	<u>\$ (146,987)</u>	<u>\$ 12,573</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
Alimony and Child Support				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 6,497	\$ 0	\$ 0	\$ 6,497
Total Assets	<u>\$ 6,497</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,497</u>
Liabilities:				
Due to Others	\$ 6,497	\$ 0	\$ 0	\$ 6,497
Total Liabilities	<u>\$ 6,497</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,497</u>
Inmate Fund				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$ 484	\$ 84,299	\$ (84,615)	\$ 168
Total Assets	<u>\$ 484</u>	<u>\$ 84,299</u>	<u>\$ (84,615)</u>	<u>\$ 168</u>
Liabilities:				
Due to Others	\$ 484	\$ 84,299	\$ (84,615)	\$ 168
Total Liabilities	<u>\$ 484</u>	<u>\$ 84,299</u>	<u>\$ (84,615)</u>	<u>\$ 168</u>
Township				
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 2,778,754	\$ (2,778,754)	\$ 0
Due from Other Governments	1,031,918	1,124,399	(1,031,918)	1,124,399
Total Assets	<u>\$ 1,031,918</u>	<u>\$ 3,903,153</u>	<u>\$ (3,810,672)</u>	<u>\$ 1,124,399</u>
Liabilities:				
Due to Other Governments	\$ 1,031,918	\$ 3,903,153	\$ (3,810,672)	\$ 1,124,399
Total Liabilities	<u>\$ 1,031,918</u>	<u>\$ 3,903,153</u>	<u>\$ (3,810,672)</u>	<u>\$ 1,124,399</u>
Payroll Fund				
Assets:				
Cash and Cash Equivalents	\$ 156,422	\$ 16,026,049	\$ (16,027,617)	\$ 154,854
Total Assets	<u>\$ 156,422</u>	<u>\$ 16,026,049</u>	<u>\$ (16,027,617)</u>	<u>\$ 154,854</u>
Liabilities:				
Due to Other Governments	\$ 155,020	\$ 5,944,973	\$ (5,945,806)	\$ 154,187
Due to Others	1,402	10,081,076	(10,081,811)	667
Total Liabilities	<u>\$ 156,422</u>	<u>\$ 16,026,049</u>	<u>\$ (16,027,617)</u>	<u>\$ 154,854</u>

(Continued)

KNOX COUNTY, OHIO**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
<u>All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 4,254,970	\$ 72,047,856	\$ (72,547,562)	\$ 3,755,264
Cash and Cash Equivalents in Segregated Accounts	279,816	10,205,269	(9,833,558)	651,527
Receivables:				
Taxes	48,970,851	51,351,560	(48,970,851)	51,351,560
Accounts	10,150	6,172	(10,150)	6,172
Special Assessments	9,630	141	(9,630)	141
Due from Other Governments	3,109,441	3,211,979	(3,109,441)	3,211,979
Total Assets	<u>\$ 56,634,858</u>	<u>\$ 136,822,977</u>	<u>\$ (134,481,192)</u>	<u>\$ 58,976,643</u>
Liabilities:				
Due to Other Governments	\$ 54,922,857	\$ 119,708,692	\$ (117,664,761)	\$ 56,966,788
Undistributed Monies	272,835	644,862	(272,835)	644,862
Due to Others	1,439,166	16,469,423	(16,543,596)	1,364,993
Total Liabilities	<u>\$ 56,634,858</u>	<u>\$ 136,822,977</u>	<u>\$ (134,481,192)</u>	<u>\$ 58,976,643</u>

*C*OMPONENT *U*NITS

KNOX COUNTY, OHIO**Statement of Cash Flows
Component Units
For the Year Ended December 31, 2005**

	Knox New Hope Industries	Knox County Airport
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$128,420	\$270,852
Cash Payments to Suppliers for Goods and Services	(37,703)	(174,379)
Cash Payments to Employees for Service	(88,549)	(74,952)
Other Operating Receipts	2,088	14,089
Net Cash Provided by Operating Activities	4,256	35,610
<u>Cash Flows from Noncapital and Related Financing Activities:</u>		
Operating Grant	0	40,000
Net Cash Provided by Noncapital and Related Financing Activities	0	40,000
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Proceeds from Revenue Bonds Payable	0	775,000
Capital Grant	0	2,267,989
Acquisition of Capital Assets	(9,549)	(2,405,433)
Proceeds from Sale of Capital Assets	50	0
Debt Principal Retirement	0	(28,450)
Interest Paid on Debt	0	(5,928)
Net Cash Provided (Used) for Capital and Related Financing Activities	(9,499)	603,178
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	15,510	0
Investment in Mutual Fund	(40,289)	0
Net Cash Used for Investing Activities	(24,779)	0
Net Increase (Decrease) in Cash and Cash Equivalents	(30,022)	678,788
Cash and Cash Equivalents at Beginning of Year	94,558	365,612
Cash and Cash Equivalents at End of Year	\$64,536	\$1,044,400
<u>Reconciliation of Cash and</u>		
<u>Cash Equivalents per the Statement of Net Assets:</u>		
Cash and Cash Equivalents	\$63,629	\$308,582
Cash with Fiscal and Escrow Agents	907	735,818
Cash and Cash Equivalents at End of Year	\$64,536	\$1,044,400
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Loss	(\$1,349)	(\$483,381)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by Operating Activities:		
Depreciation Expense	10,500	40,052
NonCash Contribution	(1,300)	0
Miscellaneous Nonoperating Income (Expense)	100	(5,514)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(5,687)	244
(Increase) Decrease in Inventory	(261)	10,822
Increase (Decrease) in Accounts Payable	(21)	17,634
Increase in Contracts Payable	0	455,788
Increase in Accrued Wages and Benefits	2,274	0
Decrease in Due to Primary Government	0	(35)
Total Adjustments	5,605	518,991
Net Cash Provided by Operating Activities	\$4,256	\$35,610

*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, 2005***

<u>Capital Assets</u>	
Land	\$3,511,122
Construction in Progress	731,030
Buildings and Improvements	24,865,870
Vehicles	2,601,100
Machinery and Equipment	3,952,628
Computer Equipment	957,130
Infrastructure	43,267,762
Total Capital Assets	<u>\$79,886,642</u>
<u>Investment in Capital Assets</u>	
Federal Grants	\$826,525
State Grants	3,058,521
Local Grants	449,875
General Fund	3,861,905
Special Revenue Funds	14,215,097
Capital Projects	45,423,625
Donations	1,661,042
Note or Bonded Debt	10,390,052
Total Investment in Capital Assets	<u>\$79,886,642</u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2005***

<u>Function and Category</u>	<u>Total</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>
General Government	\$12,798,050	\$1,146,676	\$0	\$10,177,284
Judicial	412,911	17,043	0	50,031
Public Safety	9,556,349	13,056	0	7,560,216
Public Works	48,724,495	2,195,094	0	697,844
Health	2,436,151	5,006	731,030	1,634,621
Human Services	<u>5,958,686</u>	<u>134,247</u>	<u>0</u>	<u>4,745,874</u>
Total Capital Assets	<u><u>\$79,886,642</u></u>	<u><u>\$3,511,122</u></u>	<u><u>\$731,030</u></u>	<u><u>\$24,865,870</u></u>

KNOX COUNTY, OHIO

<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Computer Equipment</u>	<u>Infrastructure</u>
\$1,213,533	\$99,430	\$161,127	\$0
98,349	0	247,488	0
1,058,303	617,389	307,385	0
1,234,179	1,293,680	35,936	43,267,762
5,580	54,556	5,358	0
<u>342,684</u>	<u>536,045</u>	<u>199,836</u>	<u>0</u>
<u><u>\$3,952,628</u></u>	<u><u>\$2,601,100</u></u>	<u><u>\$957,130</u></u>	<u><u>\$43,267,762</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, 2005***

<u>Function</u>	<u>December 31, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2005</u>
General Government	\$12,818,880	\$7,527	(\$28,357)	\$12,798,050
Judicial	386,572	26,339	0	412,911
Public Safety	9,390,505	210,623	(44,779)	9,556,349
Public Works	46,999,320	3,459,760	(1,734,585)	48,724,495
Health	1,705,121	731,030	0	2,436,151
Human Services	<u>5,971,171</u>	<u>203,206</u>	<u>(215,691)</u>	<u>5,958,686</u>
Total Capital Assets	<u>\$77,271,569</u>	<u>\$4,638,485</u>	<u>(\$2,023,412)</u>	<u>\$79,886,642</u>

STATISTICAL SECTION



STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE COUNTY.*

KNOX COUNTY, OHIO

GOVERNMENTAL FUND EXPENDITURES BY FUNCTION* LAST TEN YEARS

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Government:										
Legislative and Executive	\$3,750,034	\$3,162,637	\$3,480,262	\$3,622,019	\$4,511,051	\$4,860,082	\$5,028,221	\$5,983,455	\$6,715,071	\$6,733,588
Judicial	1,083,561	1,190,252	1,173,930	1,408,310	1,475,157	1,574,654	1,751,198	1,759,399	1,924,466	2,020,580
Public Safety	2,289,264	3,204,801	3,154,859	3,521,691	3,770,772	4,448,211	4,707,732	4,953,020	5,734,322	5,549,473
Public Works	4,054,634	3,451,947	4,399,121	4,501,269	4,469,823	4,086,178	3,976,355	4,223,164	4,651,423	5,934,571
Health	101,001	203,702	197,921	213,783	324,844	285,930	315,828	405,707	415,342	329,875
Human Services	7,144,420	7,194,904	8,059,404	10,272,419	11,335,746	13,297,236	12,088,490	11,853,157	12,187,436	12,144,183
Conservation - Recreation	0	0	1,119	34,000	0	0	2,000	0	0	0
Miscellaneous	0	7,427	0	0	0	0	0	0	0	0
Capital Outlay	2,021,456	3,779,089	2,758,478	1,878,619	7,583,661	10,181,363	5,902,503	1,539,268	2,447,070	2,704,731
Debt Service	710,438	609,426	2,112,784	924,734	794,175	1,335,364	1,423,953	1,326,072	1,305,918	1,217,653
Total	<u>\$21,154,808</u>	<u>\$22,804,185</u>	<u>\$25,337,878</u>	<u>\$26,376,844</u>	<u>\$34,265,229</u>	<u>\$40,069,018</u>	<u>\$35,196,280</u>	<u>\$32,043,242</u>	<u>\$35,381,048</u>	<u>\$36,634,654</u>

*Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data for 1996 - 2005 reported in conformity with Generally Accepted Accounting Principles, on a modified accrual basis.

Source: Knox County Auditor

KNOX COUNTY, OHIO

GOVERNMENTAL FUND REVENUES BY SOURCE * LAST TEN YEARS

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Taxes	\$7,219,776	\$8,069,612	\$8,522,953	\$9,116,222	\$10,018,445	\$9,787,810	\$9,728,904	\$11,603,148	\$12,050,302	\$13,187,367
Charges for Services	2,149,562	2,330,594	2,463,225	2,584,716	2,544,910	2,836,828	2,983,209	3,115,139	3,075,611	3,136,918
Licenses and Permits	99,099	93,573	105,306	107,900	97,070	117,776	108,978	122,658	123,798	128,829
Fines and Forfeitures	54,560	68,278	95,066	63,819	72,799	66,336	82,526	89,492	75,621	81,119
Intergovernmental	10,229,401	10,817,066	12,163,802	12,480,135	17,532,176	20,708,975	17,011,475	14,428,199	18,715,280	16,017,172
Special Assessments	643,256	566,052	548,482	495,428	431,104	404,081	185,399	232,199	214,232	47,240
Interest	772,391	998,870	1,095,352	1,233,607	1,524,354	1,536,669	390,210	332,673	403,721	690,552
Other Revenue	237,821	274,978	875,929	1,195,467	742,434	1,070,933	1,246,036	945,500	1,778,066	2,155,115
Total Revenue	<u>\$21,405,866</u>	<u>\$23,219,023</u>	<u>\$25,870,115</u>	<u>\$27,277,294</u>	<u>\$32,963,292</u>	<u>\$36,529,408</u>	<u>\$31,736,737</u>	<u>\$30,869,008</u>	<u>\$36,436,631</u>	<u>\$35,444,312</u>

*Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data for 1996 - 2005 reported in conformity with Generally Accepted Accounting Principles, on a modified accrual basis.

Source: Knox County Auditor

KNOX COUNTY, OHIO

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

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Collected</u>	<u>Delinquent Tax Billed</u>	<u>Delinquent Tax Collected</u>	<u>Percent Collected</u>	<u>Total Tax Billed</u>	<u>Total Tax Collected</u>	<u>Percent of Total Tax Collections to Total tax billed</u>
1996	\$4,389,585	\$3,765,386	85.78%	\$244,589	\$158,665	64.87%	\$4,634,174	\$3,924,051	84.68%
1997	4,818,624	4,202,322	87.21%	224,774	154,487	68.73%	5,043,398	4,356,809	86.39%
1998	4,893,733	4,278,591	87.43%	257,513	176,216	68.43%	5,151,246	4,454,807	86.48%
1999	5,072,506	4,454,675	87.82%	263,541	182,845	69.38%	5,336,047	4,637,520	86.91%
2000	5,731,554	5,050,645	88.12%	283,298	195,872	69.14%	6,014,852	5,246,517	87.23%
2001	6,010,338	5,252,434	87.39%	300,915	193,338	64.25%	6,311,253	5,445,772	86.29%
2002	6,064,379	5,270,552	86.91%	353,530	227,214	64.27%	6,417,909	5,497,766	85.66%
2003	7,427,715	6,465,083	87.04%	400,175	252,150	63.01%	7,827,890	6,717,233	85.81%
2004	7,769,928	6,723,319	86.53%	471,156	314,638	66.78%	8,241,084	7,037,957	85.40%
2005	8,242,873	6,938,026	84.17%	465,790	336,393	72.22%	8,708,663	7,274,419	83.53%

Source: Knox County Auditor

KNOX COUNTY, OHIO

TANGIBLE PERSONAL PROPERTY COLLECTION LAST TEN YEARS

<u>Collection Year</u>	<u>Billed</u>	<u>Collected</u>	<u>% Collected</u>
1996	\$4,519,106	\$4,217,260	93.32%
1997	5,799,290	5,350,060	92.25%
1998	6,344,437	6,048,340	95.33%
1999	6,383,118	5,966,422	93.47%
2000	7,348,352	6,836,102	93.03%
2001	5,761,706	5,364,289	93.10%
2002	5,602,631	4,895,042	87.37%
2003	6,360,585	5,752,854	90.45%
2004	6,753,639	4,513,673	66.83%
2005	7,638,635	7,087,621	92.79%

Source: Knox County Auditor

KNOX COUNTY, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN YEARS (in Thousands)

Tax Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Assessed Value Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$430,426	\$1,229,789	\$48,540	\$194,161	\$85,719	\$342,876	\$564,685	\$1,766,826	31.96%
1997	525,720	1,502,057	51,596	206,386	79,247	316,988	656,563	2,025,431	32.42%
1998	534,118	1,526,051	48,978	195,910	92,328	369,312	675,424	2,091,273	32.30%
1999	551,110	1,574,600	49,306	197,223	101,276	405,104	701,692	2,176,927	32.23%
2000	664,739	1,899,254	48,862	195,446	105,495	421,980	819,096	2,516,680	32.55%
2001	693,254	1,980,726	46,059	184,234	123,909	495,636	863,222	2,660,596	32.44%
2002	707,736	2,022,103	38,254	153,015	97,689	390,756	843,679	2,565,874	32.88%
2003	809,928	2,314,080	38,990	155,961	111,165	444,662	960,083	2,914,703	32.94%
2004	832,520	2,378,629	39,157	156,630	104,743	418,971	976,420	2,954,230	33.05%
2005	853,649	2,438,997	39,394	157,577	101,788	407,150	994,831	3,003,724	33.12%

Source: Knox County Auditor

KNOX COUNTY, OHIO

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

Levy Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Collection Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
COUNTY ENTITY:										
General Fund	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Mental Retardation	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Children Services	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Community Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Senior Citizens	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Board of Health	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Total County Levy	8.70	8.70	8.70	8.70	8.70	8.70	8.70	9.70	9.70	9.70
In County School Districts:										
Fredericktown	44.70	49.20	49.20	49.20	49.20	54.53	54.53	54.53	54.53	54.09
Danville	42.00	42.00	41.00	41.00	41.00	44.60	44.60	44.60	44.60	44.60
Mount Vernon	36.20	40.59	39.87	39.87	37.54	36.74	36.64	35.43	35.38	35.29
East Knox	45.50	45.50	45.50	44.00	42.70	47.20	43.40	43.40	42.40	42.40
Centerburg	39.50	39.20	34.10	34.10	34.10	41.16	41.16	41.16	41.16	41.16
Out Of County School Districts:										
Clear Fork	46.60	46.20	52.38	52.38	50.80	50.20	50.20	50.20	50.20	49.25
Loudonville	37.40	37.10	36.80	36.40	35.70	35.70	35.60	35.00	35.00	41.50
North Fork	37.00	37.00	37.00	37.00	37.00	35.75	35.75	35.29	35.29	35.17
Northridge	40.30	47.17	39.47	39.20	38.10	37.85	37.80	37.28	37.15	37.05
Joint Vocational School Districts:										
Knox County Career Center	4.70	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40
Ashland JVS	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Licking JVS	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80	3.00
Villages:										
Martinsburg	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Centerburg	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40	8.60
Utica	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Brinkhaven	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50	2.50
Danville	8.80	8.80	8.80	8.80	8.80	8.80	8.80	7.30	7.30	7.30
Fredericktown	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

(Continued)

KNOX COUNTY, OHIO

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

Levy Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Collection Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Corporations:										
Mount Vernon	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Townships:										
Berlin	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Brown	6.90	6.40	6.40	6.40	6.40	6.65	6.65	5.40	5.40	5.40
Butler	3.50	3.50	3.85	3.85	3.85	3.85	3.85	2.10	2.10	2.10
Clay	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Clay - Martinsburg Village	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Clinton	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	7.20
College	5.75	5.75	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Harrison	3.50	3.55	3.55	3.55	3.55	3.15	3.15	2.10	2.10	2.10
Hilliar	7.20	9.20	8.70	8.35	7.70	5.70	5.70	5.70	5.70	5.70
Hilliar - Centerburg Village	8.30	7.80	7.30	6.95	6.30	4.30	4.30	4.30	4.30	4.30
Howard	3.40	3.60	3.60	3.60	3.60	3.60	3.60	2.10	2.10	2.10
Jackson	2.10	2.10	2.10	2.10	2.10	3.60	3.60	3.60	3.60	3.60
Jefferson	4.10	4.20	4.20	4.20	4.20	4.20	4.20	2.50	2.50	2.50
Liberty	4.80	4.80	4.80	4.80	4.80	2.80	2.80	2.80	2.80	2.80
Middlebury	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Milford	3.70	4.20	4.20	4.20	4.20	2.20	2.20	2.20	2.20	2.20
Miller	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Monroe	5.60	5.60	5.60	5.60	6.10	6.10	6.10	7.60	7.60	7.60
Morgan	4.90	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	6.15
Morgan - Utica Village	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Morris - Mount Vernon	4.00	3.50	3.50	3.50	4.00	4.00	4.00	5.00	5.00	5.00
Morris - Fredericktown	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Pike	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Pleasant	5.80	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Union	3.30	3.70	3.70	3.50	3.50	3.50	3.50	2.10	2.10	2.10
Union - Brinkhaven Village	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Union - Danville Village	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Wayne	2.50	2.50	2.50	2.50	3.80	3.80	3.80	3.80	2.50	2.50

(Continued)

KNOX COUNTY, OHIO

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

Levy Year Collection Year	1995 1996	1996 1997	1997 1998	1998 1999	1999 2000	2000 2001	2001 2002	2002 2003	2003 2004	2004 2005
Other Units:										
Fredericktown Community Fire District	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fredericktown Ambulance	0.60	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fredericktown Park	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Bladensburg Fire District	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Mount Vernon Public Library	0.80	0.80	0.80	0.80	0.80	0.80	0.70	0.70	0.65	0.54
Central Ohio Joint Fire District	0.00	0.00	0.00	0.00	0.00	5.50	5.50	5.50	5.50	5.50
Eastern Ohio Joint Fire District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00	5.00

KNOX COUNTY, OHIO

CURRENT SPECIAL ASSESSMENT COLLECTIONS LAST TEN YEARS

<u>Year</u>	<u>Current Amount Billed</u>	<u>Current Amount Collected</u>	<u>Percent Collected</u>
1996	\$728,141	\$568,619	78.09%
1997	651,529	500,898	76.88%
1998	623,161	498,536	80.00%
1999	651,771	533,249	81.82%
2000	684,638	541,867	79.15%
2001	942,370	829,747	88.05%
2002	813,084	678,576	83.46%
2003	997,017	898,407	90.11%
2004	1,028,746	961,261	93.44%
2005	909,632	846,146	93.02%

Source: Knox County Auditor

Note: Special assessments collected on the Financial Statements includes delinquent special assessments collected.

KNOX COUNTY, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005**

	<u>Total Debt (a)</u>	<u>Unvoted Debt (b)</u>
Net Assessed Valuation	\$994,830,648	\$994,830,648
Legal Debt Limitation (%) (1)	2.35%	1.00%
Legal Debt Limitation (\$) (1)	23,370,766	9,948,306
Applicable County Debt Outstanding (2)	5,258,000	5,258,000
Less Applicable Debt		
Service Fund Amounts	<u>(635,926)</u>	<u>(635,926)</u>
Net Indebtedness Subject To Limitation	<u>4,622,074</u>	<u>4,622,074</u>
Legal Debt Margin	<u><u>\$18,748,692</u></u>	<u><u>\$5,326,232</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 assessed value; 2.5% of assessed value in excess of \$300

(b) 1% of assessed value

(2) County Debt Outstanding excludes Special Assessment Bonds and Correctional Facility Bonds.

KNOX COUNTY, OHIO

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

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of General Obligation Debt to Assessed Valuation	Net General Obligation Debt Per Capita
1997	(4)	\$47,473	\$656,563,971	\$3,650,000	\$209,364	0.52%	72.48
1998		47,473	675,423,003	3,575,000	245,613	0.49%	70.13
1999		47,473	701,692,107	3,455,000	260,826	0.46%	67.28
2000		54,500	819,095,981	3,335,000	498,148	0.35%	52.05
2001		54,500	863,221,722	11,435,000	578,365	1.26%	199.20
2002		54,500	843,678,684	12,385,000	635,439	1.39%	215.59
2003		54,500	960,084,059	11,910,000	654,049	1.17%	206.53
2004		54,500	976,420,398	11,420,000	709,423	1.10%	196.52
2005		54,500	994,830,648	10,910,000	635,926	1.03%	188.52

(1) Source: U.S. Bureau of Census

(2) Source: Knox County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

(4) There was no debt service fund prior to 1997

KNOX COUNTY, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST EIGHT YEARS**

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Bonded Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Debt Supported Debt Service To General Government Expenditures</u>
1998	\$75,000	\$150,580	\$225,580	\$25,337,898	0.89%
1999	120,000	178,210	298,210	26,376,844	1.13%
2000	120,000	173,230	293,230	34,265,229	0.86%
2001	125,000	307,957	432,957	40,069,018	1.08%
2002	410,000	539,617	949,617	35,196,280	2.70%
2003	475,000	309,848	784,848	32,043,242	2.45%
2004	490,000	552,545	1,042,545	35,381,048	2.95%
2005	510,000	534,688	1,044,688	36,634,654	2.85%

Knox County did not have any General Obligation Debt from 1996-1997. Principal and interest payments began in 1998 for the Corporate Center and Children's Resource Center. Interest payments began in 2001 for the Board of Health Center and the Correctional Facility and 2002 for the JFS Training Center. Principal payments began in 2002 for the Board of Health Center and the Correctional Facility.

KNOX COUNTY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT DECEMBER 31, 2005

<u>Political Subdivision</u>	<u>Net General Obligation Debt</u>	<u>Percent Applicable To County (1)</u>	<u>Amount Applicable To Knox County</u>
Knox County	\$10,334,074	100%	\$10,334,074
All Townships wholly within County	424,425	100%	424,425
All Cities wholly within County	218,395	100%	218,395
All School Districts wholly within County	16,787,000	100%	16,787,000
Clear Fork School District	<u>7,555,602</u>	6.40%	<u>483,559</u>
Totals	<u><u>\$35,319,496</u></u>		<u><u>\$28,247,453</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 2005 collection year

Source: Knox County Auditor

KNOX COUNTY, OHIO

DEMOGRAPHIC STATISTICS DECEMBER 31, 2005

Annual Average Unemployment Rates		Employment - 2005 Annual Averages		Employment by Sector, 2003		
				Number	Percent	
2005	5.2%	Total Civilian Labor Force	29,200	Manufacturing	4,151	23.29%
2004	4.6%	Total Employed	27,700	Wholesale and Retail Trade	2,502	14.04%
2003	5.3%	Total Unemployed	1,500	Services	6,583	36.95%
2002	6.7%	Unemployment Rate	5.2%	State and Local Government	2,830	15.88%
2001	4.9%			Finance, Insurance, Real Estate	555	3.11%
2000	5.3%			Transportation and Public Utilities	179	1.00%
1999	4.2%			Construction	812	4.56%
1998	5.5%			Agriculture, Forestry, Fisheries and Mining	209	1.17%
1997	4.4%			Total	17,821	100.00%
1996	5.1%					

Year	Population	Public School Enrollment *
2005	54,500	8,479
2004	54,500	8,377
2003	54,500	8,288
2002	54,500	8,177
2001	54,500	8,330
2000	54,500	8,518
1999	51,702	8,267
1998	52,498	8,391
1997	51,702	8,248
1996	51,702	8,118

(Continued)

KNOX COUNTY, OHIO

DEMOGRAPHIC STATISTICS DECEMBER 31, 2005

Households by Income

House holds	
\$0 to \$9,999	1,624
\$10,000 to \$19,999	2,937
\$20,000 to \$29,999	2,855
\$30,000 to \$39,999	2,845
\$40,000 to \$49,999	2,480
\$50,000 to \$59,999	2,133
\$60,000 to \$74,999	2,043
\$75,000 to \$99,999	1,749
\$100,000 or more	1,290

Per Capita Income

\$38,877

Employed Persons 16 Years and Over by Class of Worker

Private Wage and Salary	16,160
Federal Government	318
State Government	1,186
Local Government	1,493
Self-Employed	1,796
Unpaid Family Worker	165

Source: * Knox County Board of Education

** Chamber of Commerce

All Other Information Obtained From the Ohio Data Users Center.

KNOX COUNTY, OHIO

CONSTRUCTION, BANK DEPOSITS, AND PROPERTY VALUES LAST TEN YEARS

Tax Year	New Construction			Bank Deposits	Real Property Value			
	Agriculture Residential	Commercial Industrial	Total New Construction		Agriculture Residential	Commerical Industrial	Public Utility	Tax Exempt
1996	\$11,625,150	\$5,131,450	\$16,756,600	\$408,033,000	\$360,486,950	\$69,666,910	\$271,700	\$63,689,540
1997	17,859,270	3,757,150	21,616,420	470,611,000	446,640,730	78,789,900	289,400	79,408,440
1998	12,286,460	2,759,310	15,045,770	467,925,000	457,857,530	75,960,450	299,730	85,912,490
1999	15,444,970	1,352,550	16,797,520	471,900,000	472,342,790	78,472,720	294,440	89,620,970
2000	17,160,020	3,331,730	20,491,750	487,758,000	582,346,820	82,114,730	277,390	89,269,500
2001	19,755,590	7,824,790	27,580,380	519,468,000	601,110,340	92,011,350	132,560	91,639,600
2002	19,025,500	1,162,320	20,187,820	519,459,000	619,482,050	87,828,790	125,050	102,752,100
2003	21,816,240	5,897,380	27,713,620	227,649,000	703,162,240	106,637,030	128,970	140,263,990
2004	19,086,030	4,655,820	23,741,850	524,979,000	720,770,540	111,632,960	116,420	141,198,030
2005	22,438,060	1,237,360	23,675,420	510,728,000	743,196,230	110,334,540	118,150	150,680,710

Source: Knox County Auditor
Federal Reserve Bank - Cleveland, Ohio

KNOX COUNTY, OHIO

KNOX COUNTY, OHIO TEN PRINCIPAL TAXPAYERS DECEMBER 31, 2005

	<u>Taxpayer</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
1.	Rolls Royce Energy Systems	Business	\$24,770,830	2.49%
2.	Ohio Power Company	Public Utility	16,933,220	1.70%
3.	Kenyon College	Education	11,679,290	1.17%
4.	Ariel Corporation	Business	10,285,650	1.03%
5.	FT Precision Inc	Business	7,790,780	0.78%
6.	United Telephone Company	Public Utility	7,449,330	0.75%
7.	Licking Rural Electrification	Public Utility	5,898,010	0.59%
8.	Weyerhaeuser Corporation	Business	5,517,870	0.55%
9.	Columbia Gas Transmission	Public Utility	4,964,000	0.50%
10.	Jeld-Wen Inc	Business	3,902,040	0.39%
		Subtotal	99,191,020	9.95%
		All Other	895,639,628	90.05%
	Total		\$994,830,648	100.00%

Source: Knox County Auditor's Office

KNOX COUNTY, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2005

Date Established 1808
County Seat Mount Vernon

Area (square miles) 532

Location
Central Ohio (including the geographical center of the state)
49 miles from Columbus and 99 miles from Cleveland.

Climate
Four season temperate, classified continental.
Moderately warm summers; reasonably cold winters.
Average annual rainfall 40.61". Average annual snowfall
is 24.94". Growing season averages 147 days.

Number of Political Subdivisions Located in the county

Cities	1
Villages	6
Townships	22
School Districts	5
Vocational School	1
Universities - Kenyon College, established 1824	
Mount Vernon Nazarene University, established 1966	

Homestead Exemptions
1,077 exemptions granted, average reduction
in taxable value \$3,968

Road Mileage (1)

U.S. Highways	59.05
State Highways	182.30
County Roads	401.73
Township Roads	622.80

Manufactured Homes
1,183 manufactured homes, taxable value \$4,706,660

Communications (3)
Mount Vernon News (circulation - 10,000)
A weekly paper is published in Fredericktown

Industrial Sites
300 Acre Industrial Park

Voter Statistics, Election of November 2005 (2)

Number of Registered Voters	34,776
Number of Voters, Last General Election	13,758
Percentage of Registered Voters Voting	40%

Knox County covers 334,720 acres.
253,988 acres are currently under Current Agriculture
Use Value Program

Livestock Numbers on Farms (4)

Beef cattle and calves	21,714
Dairy cattle and heifers	9,688
Hogs and pigs	13,180
Stock sheep and lambs	9,801

Number of Acres in Crops (4)

Corn	44,901
Soy Beans	46,028
Wheat	5,510
Oats	868
Hay	23,011

Income From Agricultural Sales (4)

Livestock and Livestock Products	\$25,965,000
Crops	28,573,000
Dairy and Milk	\$10,988,000
Cattle and Calves	5,313,000
Hogs and Pigs	4,322,000
Poultry and Other Livestock	5,342,000
Corn	12,786,000
Soybeans	10,247,000
Wheat	938,000
Oats and Hay	1,601,000
Other Crops	3,001,000

Knox County has 1,258 farms
with an average size of 166 acres.

Sources:
(1) Knox County Engineer
(2) Knox County Board of Elections
(3) Mount Vernon News
(4) Ohio Cooperative Extension Service

All other information obtained
from County records.

KNOX COUNTY, OHIO

HISTORY OF COUNTY AUDITORS

The Clerk of the County Commissioners performed the duties of the County Auditor until 1820 when the County organized the Auditor's position. The following were the Knox County Auditors starting in 1820.

W. Y. Farquhar	1820-1827	John M. Blocher	1890-1896
Alexander Elliott	1827-1829	William A. Wander	1896-1902
Marvin Tracy	1829-1835	Archie C. Collins	1902-1906
Simon B. Kenton	1835-1841	Charles A. Mitchell	1906-1909
Killian Winne	1841-1847	Irvin Young	1909-1913
Thomas Winne	1847	Walter M. Riley	1913-1917
Merrett M. Beam	1847-1851	A. D. Rinehart	1917-1923
Benjamin F. Smith	1851-1855	Howard McFarland	1923-1927
John Lamb	1855-1859	Howard N. Mendenhall	1927-1935
Samuel W. Farquhar	1859-1863	Arthur H. McMillan	1935-1943
John D. Thompson	1863-1865	John W. McLarnan	1943-1949
Alexander Cassil	1865-1869	Gail W. Porterfield	1949-1956
Samuel W. Farquhar	1869-1871	W. Glenn Hess	1956-1967
John W. Ewalt	1871-1875	Paul W. Davis	1967-1975
Alexander Cassil	1875-1880	J. William Moody	1975-1991
John H. Stevens	1880-1883	Robert L. Jones	1991-1995
Curtis W. McKee	1883-1890	Margaret Ann Ruhl	1995-present



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

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
AUGUST 15, 2006**