



**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, 2004

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	N/A	\$53,950
		04N157	123,840
		02N083	5,553
		03N044	205,447
		N/A	<u>340,000</u>
Total Highway Planning and Construction Grant			<u>728,790</u>
Direct Program:			
Airport Improvement Program	20.102	N/A	<u>37,584</u>
Total U.S. Department of Transportation			<u>766,374</u>
The General Services Administration:			
Passed-through Ohio Secretary of State:			
Election Reform Payments	39.011	04-SOS-HAVA-42	<u>7,908</u>
United States Department of Education:			
Passed-through Ohio Department of Education:			
Special Education Cluster:			
Special Education Grants to States	84.027	066076-6B-SF-03P	2,197
Special Education - Preschool Grant	84.173	066076-PG-SC-03P	<u>6,604</u>
Total Special Education Cluster			<u>8,801</u>
Total U.S. Department of Education			<u>8,801</u>
United States Department of Labor:			
WIA Cluster Passed-through Ohio Department of Job and Family Services:			
Workforce Investment Act - Adult			121,610
Workforce Investment Act - Adult Administrative			<u>8,429</u>
Workforce Investment Act - Adult Total	17.258	N/A	<u>130,039</u>
Workforce Investment Act - Youth	17.259		<u>89,753</u>
Workforce Investment Act - Dislocated Worker			53,392
Workforce Investment Act - Dislocated Worker Administrative			<u>14,704</u>
Workforce Investment Act - Dislocated Worker Total	17.260	N/A	<u>68,096</u>
Workforce Investment Act - Rapid Response	17.260	N/A	<u>50,000</u>
Total WIA Cluster			<u>337,888</u>
Unemployment Insurance	17.225	N/A	<u>18,362</u>
Total United States Department of Labor			<u>356,250</u>
United States Department of Health and Human Services:			
Passed-through Ohio Department of Mental Retardation:			
Title XX	93.667	N/A	43,129
Medical Assistance Program	93.778	N/A	<u>1,168,135</u>
Total U.S. Department of Health and Human Services			<u>1,211,264</u>
United States Department of Homeland Security:			
Passed through Ohio Department of Public Safety:			
Emergency Management Performance Grant	97.042	EMC-2004-GR-7007	28,786
Public Assistance Program	97.036	DR.1519-OH/2004	224,955
State Domestic Preparedness Equipment Support Program	97.004	2004-GE-T4-0025	<u>337,375</u>
Total U.S. Department of Homeland Security			<u>591,116</u>
United States Department of Justice:			
Passed through the Ohio Attorney General:			
Victims of Crime Assistance	16.575	2003VAGENE334	11,406
Juvenile Accountability Incentive Block Grant	16.523	2002-JB-002-B015	9,460
	16.523	2003-JB-015-A012	<u>5,405</u>
Total Juvenile Accountability Incentive Block Grant			<u>14,865</u>
Byrne Formula Grant	16.579	2003-DG-F01-7369	<u>71,262</u>
Total U.S. Department of Justice			<u>97,533</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	45,045
Community Development Block Grant / State's Program	14.228	BC-02-039-1	190,859
		BF-03-039-1	92,844
		BF-03-039-1	27,559
		BF-04-039-1	<u>7,500</u>
Total Community Development Block Grant / State's Program			<u>318,762</u>
Total U.S. Department of Housing and Urban Development			<u>363,807</u>
Total			<u>\$ 3,403,053</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, 2004**

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, 2004, the gross amount of loans outstanding under this program was \$104,578.

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.



**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, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 21, 2005. 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the County's management dated June 21, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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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 21, 2005, we reported other matters related to noncompliance we deemed immaterial.

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 21, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND 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 types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying schedule of findings and questioned costs as item 2004-002. Also, in a separate letter to the County's management dated June 21, 2005, we reported other matters related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated June 21, 2005.

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, 2004, and have issued our report thereon dated June 21, 2005. 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 21, 2005

KNOX COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A -133 § .505
 DECEMBER 31, 2004

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA # 17.258, 17.259, 17.260 – Workforce Investment Act Cluster CFDA #97.004 – State Domestic Preparedness Equipment Support Program CFDA # 97.036 – FEMA Public Assistance Grant
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

KNOX COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004
(Continued)**

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

FINDING NUMBER 2004-001

Reportable Condition – Recording On-behalf Payments

Ohio Admin. Code Section 117-5-01 reads, in part, “to demonstrate legal compliance, financial accountability and to provide management with financial information for decision making, counties shall maintain financial records on a fund basis. Funds shall be established by each county based on statutory requirements and accounting needs.”

Furthermore, Auditor of State Bulletin 2000-008 suggests that when a local government enters into an on-behalf-of program agreement with another government, whereby the local government or residents are beneficiaries under the agreement, the cash value of the program received should be recorded as memorandum receipts and disbursements in the year the cash value of the on-behalf-of disbursements are made.

The County Engineer is a party to several different grants and improvement projects in which payments are made directly from the State of Ohio to contractors and vendors on the County’s behalf. Although a fund was established to account for these on-behalf payments by the County Auditor, \$383,237 in on-behalf payments were not recorded in the accounting records of the County. The County’s financial statements have been adjusted to reflect these transactions.

Even though the County did not directly receive these funds from the State of Ohio, the County and its residents have benefited from the projects. Therefore, we recommend, the transactions should be reflected on the County’s financial statements as receipts along with a corresponding expenditure and any related receivable or liabilities associated with the project. Failure to record these transactions could result in a material error in reporting these contract expenditures and the ability to properly manage and monitor the contractual agreements.

We also recommend the County Engineer inform the County Auditor of any payments made on the County’s behalf so that a memo journal entry can be made reflecting the receipt and corresponding expenditure.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Public Assistance Program Grant – Federal Emergency Management Funds

Finding Number	2004-002
CFDA Title and Number	Public Assistance Grants; CFDA #97.036
Federal Award Number / Year	DR-1519-OH/2004
Federal Agency	U.S. Department of Homeland Security
Pass-Through Agency	Ohio Department of Public Safety

KNOX COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2004
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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1. Public Assistance Program Grant (Continued)

Non-compliance Finding – Questioned Cost

According to 44 C.F.R. Section 206.203, all projects approved under the state disaster assistance grants are subject to the cost sharing provisions established in the Federal Emergency Management Agency (FEMA)-State Agreement. The Ohio Emergency Management Agency (OEMA) Public Assistance Handbook outlines the cost sharing provisions as specified in Ohio’s FEMA-State Agreement. The Federal share is to be 75% of eligible costs. When paying bills or reimbursing funds where expenses were already paid, the County is required to pay 75% from federal FEMA funds and the other 25% from non-federal sources (which may include state or local matches).

The County Engineer did not properly make reimbursements at the required 75% rate and did not break out the federal portion of FEMA disbursements from its non-federal portion. Instead, all Federal funds received in the County’s FEMA fund were transferred into the Motor Vehicle Gas Tax Fund (MVG), totaling \$417,796, while in total only \$236,720 was spent on Public Assistance projects during 2004. If properly broken out for fiscal 2004, the expenditures would be categorized as follows:

Expenditure Type	<u>Actual Reimbursable FEMA Related Expenditures</u>	<u>Total Reimbursed from FEMA Fund</u>	<u>Variance</u>
Federal Share	\$218,061	\$391,854	\$173,793
State Match	11,765	19,048	7,283
Federal Admin. Allowance	6,894	6,894	0
Total:	<u>\$236,720</u>	<u>\$417,796</u>	<u>\$181,076</u>

The result of this error was \$181,076 in “overpayment” from the FEMA fund into the MVGT Fund. Contrary to program requirements, the FEMA funds were reimbursed to the MVGT Fund in advance of the actual expenditure taking place. Therefore, a questioned cost is issued in the amount of \$181,076.

Improperly tracking federal expenditures in the County’s accounting system could result in the County not meeting the 25% non-federal match of FEMA expenditures and could further result in the County being required to repay those funds or causing future funding to cease.

The County Auditor made a correcting journal entry on June 2, 2005, to move \$181,076 back into the FEMA Fund, which is also reflected on the financial statements. This amount will be reimbursed the MVGT Fund in fiscal 2005 as the final projects are completed.

In order to comply with the grant requirements, it is management’s responsibility to establish policies and procedures. We recommend the County Commissioners, County Engineer and County Auditor develop procedures to ensure the cash management and matching requirements are met. The (OEMA) Public Assistance Handbook should be reviewed for proper accounting of future FEMA funds.

KNOX COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2004**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2004-002	The County Auditor will require memo expenses from the County Engineer stating the account, amount, date and to whom the expense will be sent.	June 30, 2005	Margaret Ann Ruhl, County Auditor and Jim Henry, County Engineer

*County Seat
Mount Vernon, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004

*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

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Mount Vernon, Ohio 43050
Fax (740) 393-6806



June 21, 2005

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, 2004. 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, 2004. 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, 2004

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 2004, 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 2004 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 2004, 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 five other full-time workers. The recorder's office had a decrease of 5,400 documents over 2003 with a total of 15,925 documents recorded in 2004.

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.

***Letter of Transmittal
For the Year Ended December 31, 2004***

The County Sheriff is elected to a four year term and is the head of six divisions. Nineteen 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 eight full-time employees and received 945 cases filed in 2004. 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 2004, 23,919 titles were issued, a 22.3% decrease over 2003.

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 2004, the estate cases totaled 298, which was a decrease of 7 cases over 2003. Overall cases filed in Probate Court totaled 847 in 2004, which was an increase of 28 over 2003. In 2004, the Juvenile Court cases filed totaled 1,187, which was a decrease of 81 over 2003. This court also performs miscellaneous tasks such as assigning foreign judges and appointing the Humane Officer and members to the Board of Mental Retardation and Developmental Disabilities, and the Knox County Metropolitan Housing Authority. The Probate Court houses old birth, death and marriage records where many people work on genealogy research.

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

The Board of Elections is a statutory board, the same as the budget commission and the board of revision, with the exception that this board has no elected officials as board members. The four member board, made up of two Republicans and two Democrats, meets monthly to conduct board business. The Board of Elections oversees all primary, general and special elections. Registered voters in 2004, totaled 36,972, a sixteen percent increase over 2003.

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 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.

Economic Condition and Outlook

Knox County's business community was hit hard this year with the closing of some businesses. Jervis-Webb, a manufacturer of conveyor systems, which employed 40 employees, decided to close their business. Downtown City of Mount Vernon had a long time restaurant, The Alcove, close their doors for several months, but re-opened under new management, as well as the Caraway's Tavern, which has replaced by La Paloma Restaurant. An art gallery, Alexander and Rhodes, also located in downtown Mount Vernon, closed their doors and now is for sale, leaving a vacancy at the south end of Main Street. The grocery store, Big Bear, closed and there has not been any other business interested in that space. The restaurant at the east side of Mount Vernon, the Green Leaf Restaurant, closed and there is still no replacement for it. The long time furniture store, Rockwell Furniture, decided to close their doors on the west side of Mount Vernon, also.

***Letter of Transmittal
For the Year Ended December 31, 2004***

Good news was the expansion of the Wal-Mart store. They are adding space to include a grocery store, which will help replace the Big Bear store mentioned above. The Wal-Mart Superstore is planned to open in August, 2005. Knox County Hospice purchased land and is planning on building a new facility as they have out grown the current residence. The Knox County Chapter of American Red Cross is expanding the current two-story building. They are in need of a meeting room, additional storage and office space. One of our leading doctors purchased land at the south end of the City of Mount Vernon to build a Mid-Ohio Ambulatory Surgery Center. This facility was just started when the doctor and his wife were suddenly killed in an automobile accident. It is not known if this project will continue.

Knox County did enact a new program dealing with access to county roads and this will help with planned development. Other programs to help with controlled growth that were enacted were lot splits, storm water management and sediment control and growth.

Employee Relations

Knox County has four separate unions, whose labor contracts commence at various times. The County Engineer has twenty-seven members in the American Federation of State, County and Municipal Employees (A.F.S.C.M.E.) Local 2803. This contract commenced July 1, 2004, and it will expire on June 30, 2005.

The County Sheriff has fifty members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract was signed for a three-year period. It will expire on December 31, 2005.

The Department of Human Services has sixty-one 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 nineteen 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

Plans are being finalized to construct a new state of the art dog pound. The land is already owned by the County and it is located beside the Recycling Center. This is across the street from the current dog pound location. A project to be started in 2005 is the construction of the bike path on the former Conrail railroad. This will connect Knox County and Licking County without use of the roads. This new bike path will continue west starting in the City of Mount Vernon through Bangs, Mount Liberty and to the Village of Centerburg. The sixteen miles of path will be known as the Heart of Ohio Trail, with it ending in Centerburg, which is the geographic center of Ohio. Along this subject, the County Commissioners are looking at the CSX railroad going north from the City of Mount Vernon to the Village of Fredericktown, for a bike path of about eight miles.

Knox Community Hospital is adding a new facility, behind the hospital, which will hold several departments. This will be named the Knox Medical Pavilion housing the first radiation therapy center with outpatient diagnostic center, women's health center and medical offices.

KNOX COUNTY, OHIO

Letter of Transmittal For the Year Ended December 31, 2004

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 eighteen 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 2006.

Cash Management

During the year ended December 31, 2004, 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. Interest is allocated to the General Fund and to other qualifying funds. Interest for all funds of the primary government during 2004 was \$435,837.

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, 2004, 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, 2004***

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, 2003. 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, whose 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 fourteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to 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 fifteenth 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

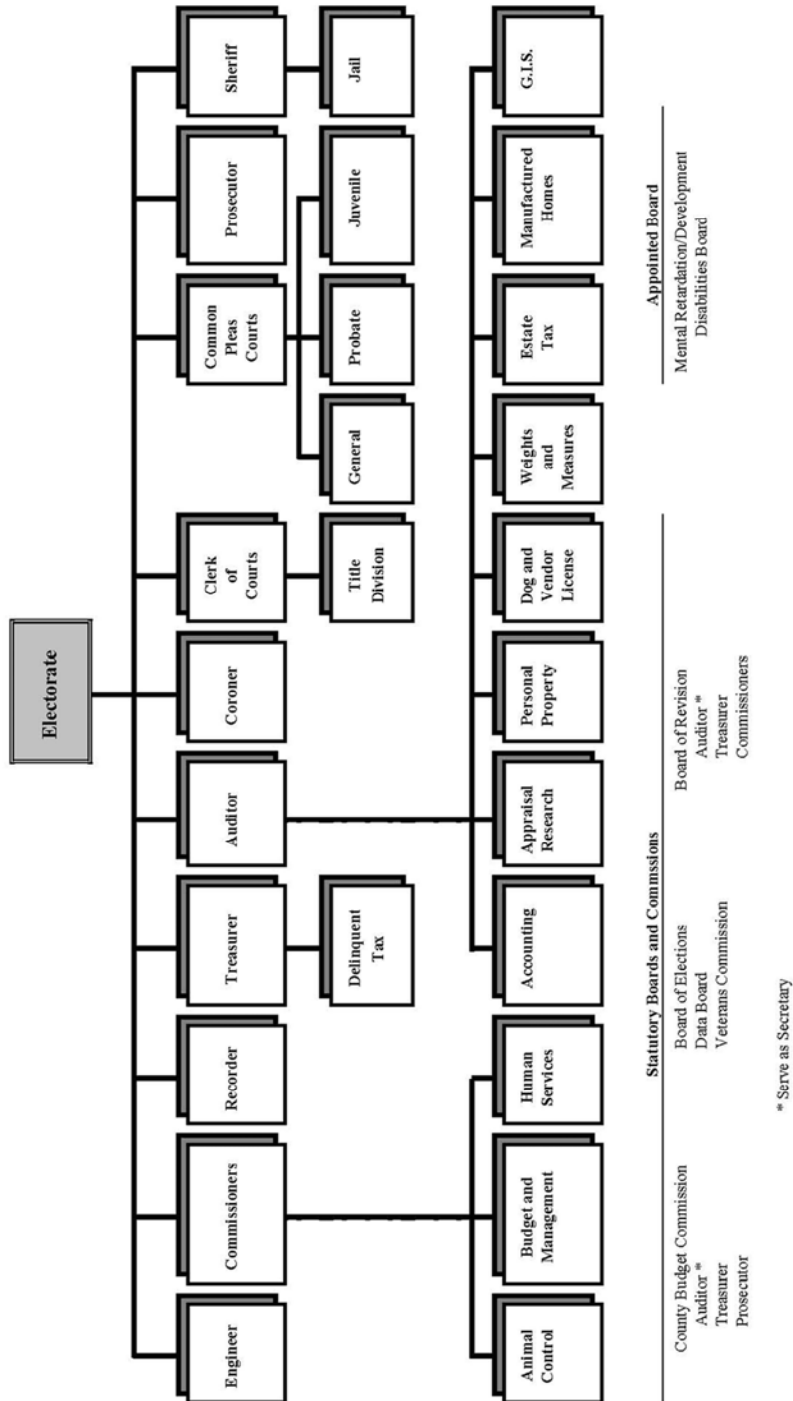
*List of Elected Officials
For the Year Ended December 31, 2004*

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 W. Baker
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, 2004**



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, 2003

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.



Nancy L. Zielke

President

Jeffrey R. Enos

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, 2004, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof, and the 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 21, 2005, 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 and individual 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 and individual 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.



Betty Montgomery
Auditor of State

June 21, 2005

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, 2004. 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 2004 are as follows:

- ❑ In total, net assets increased \$2,745,624. Net assets of governmental activities increased \$2,432,536, which represents a 4.0% increase from 2003. Net assets of business-type activities increased \$313,088 or 11.5% from 2003.
- ❑ General revenues accounted for \$16,492,902 in revenue or 44.1% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$20,895,527 or 55.9% of total revenues of \$37,388,429.
- ❑ The County had \$33,572,592 in expenses related to governmental activities; only \$19,583,101 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 \$11,720,052 in revenues and \$11,493,935 in expenditures. The general fund's fund balance decreased \$119,342 to a balance of \$3,084,353. This decrease is attributable to an increase in expenditures due to the operation of a new jail facility, which increased staffing and utilities.

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, 2004**

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 2004 compared to 2003:

	Governmental Activities		Business-type Activities		Total	
	2004	Restated	2004	2003	2004	Restated
		2003				2003
Current and other assets	\$31,775,812	\$29,814,275	\$1,994,470	\$1,753,169	\$33,770,282	\$31,567,444
Capital assets, Net	53,480,250	53,149,088	3,049,865	3,098,424	56,530,115	56,247,512
Total assets	85,256,062	82,963,363	5,044,335	4,851,593	90,300,397	87,814,956
Long-term liabilities outstanding	12,485,143	13,164,204	1,962,392	2,057,003	14,447,535	15,221,207
Other liabilities	9,309,387	8,770,163	42,196	67,931	9,351,583	8,838,094
Total liabilities	21,794,530	21,934,367	2,004,588	2,124,934	23,799,118	24,059,301
Net assets						
Invested in capital assets, net of related debt	41,903,085	41,056,331	2,979,054	3,025,719	44,882,139	44,082,050
Restricted	16,527,301	13,036,753	0	0	16,527,301	13,036,753
Unrestricted	5,031,146	6,935,912	60,693	(299,060)	5,091,839	6,636,852
Total net assets	\$63,461,532	\$61,028,996	\$3,039,747	\$2,726,659	\$66,501,279	\$63,755,655

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KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2004 compared to 2003:

	Governmental Activities		Business-type Activities		Total	
	2004	Restated 2003	2004	2003	2004	Restated 2003
Revenues						
Program revenues:						
Charges for Services and Sales	\$3,247,224	\$3,324,131	\$1,143,970	\$1,056,339	\$4,391,194	\$4,380,470
Operating Grants and Contributions	14,788,683	11,219,722	0	0	14,788,683	11,219,722
Capital Grants and Contributions	1,547,194	657,936	168,456	178,508	1,715,650	836,444
General revenues:						
Property Taxes	7,302,611	6,428,588	0	0	7,302,611	6,428,588
Sales Taxes	4,808,365	4,599,207	0	0	4,808,365	4,599,207
Shared Revenues	1,943,098	2,311,657	0	0	1,943,098	2,311,657
Investment Earnings	413,663	336,429	0	0	413,663	336,429
Miscellaneous	2,025,165	945,500	0	0	2,025,165	945,500
Total revenues	36,076,003	29,823,170	1,312,426	1,234,847	37,388,429	31,058,017
Program Expenses						
General Government						
Legislative and Executive	7,278,991	7,089,635	0	0	7,278,991	7,089,635
Judicial	1,934,458	1,769,703	0	0	1,934,458	1,769,703
Public Safety	5,733,059	5,386,148	0	0	5,733,059	5,386,148
Public Works	5,427,085	3,636,612	0	0	5,427,085	3,636,612
Health	478,172	466,347	0	0	478,172	466,347
Human Services	12,136,393	11,960,600	0	0	12,136,393	11,960,600
Interest and Fiscal Charges	584,434	619,855	0	0	584,434	619,855
Sewer	0	0	1,070,213	956,011	1,070,213	956,011
Landfill	0	0	0	(250,562)	0	(250,562)
Total expenses	33,572,592	30,928,900	1,070,213	705,449	34,642,805	31,634,349
Change in Net Assets Before Transfers	2,503,411	(1,105,730)	242,213	529,398	2,745,624	(576,332)
Transfers	(70,875)	(797,113)	70,875	797,113	0	0
Total Change in Net Assets	2,432,536	(1,902,843)	313,088	1,326,511	2,745,624	(576,332)
Restated Beginning Net Assets	61,028,996	62,931,839	2,726,659	1,400,148	63,755,655	64,331,987
Ending Net Assets	\$63,461,532	\$61,028,996	\$3,039,747	\$2,726,659	\$66,501,279	\$63,755,655

Governmental Activities

Net assets of the County's governmental activities increased by \$2,432,536. This was due mainly to increases in State and Federal grants monies. Operating grants and contributions, which represent the largest program revenue totaled \$14,788,683. The major recipients of these program specific grants were Job and Family Services, Children's Services and the Mental Health Services Board.

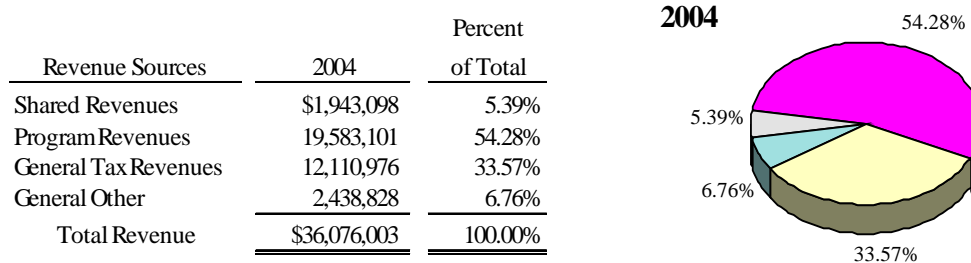
KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Tax revenue accounts for \$12,110,976 of the \$36,076,003 in total revenues for governmental activities. Sales tax accounted for \$4,808,365, or approximately 39.7% of total tax revenue.

The County's direct charges to users of governmental services totaled \$3,247,224. This amount represents 9.0% of total revenues for governmental activities and 16.6% of program specific revenues.



Business-Type Activities

Net assets of the business-type activities increased by \$313,088. This is attributable to increases in charges received for water and wastewater treatment. These programs had revenues of \$1,312,426 and expenses of \$1,070,213 for fiscal year 2004. 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 \$16,261,331 which is higher than last year's total of \$15,270,225. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2004 and 2003.

	Fund Balance December 31, 2004	Fund Balance December 31, 2003	Increase (Decrease)
General	\$3,084,353	\$3,203,695	(\$119,342)
Public Assistance	2,795,179	1,216,428	1,578,751
Motor Vehicle and Gasoline Tax	945,892	680,592	265,300
Children Services Board	2,355,778	2,316,584	39,194
Mental Retardation	1,476,805	1,657,409	(180,604)
Other Governmental	5,603,324	6,195,517	(592,193)
Total	\$16,261,331	\$15,270,225	\$991,106

KNOX COUNTY, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2004****Unaudited**

General Fund – The County's General Fund balance remained relatively stable from fiscal year 2003 to 2004. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2004 Revenues	2003 Revenues	Increase (Decrease)
Taxes	\$7,122,782	\$6,718,779	\$404,003
Intergovernmental Revenues	1,498,729	1,524,591	(25,862)
Charges for Services	1,972,428	2,001,296	(28,868)
Licenses and Permits	5,919	6,235	(316)
Investment Earnings	382,694	296,752	85,942
Fines and Forfeitures	51,346	50,044	1,302
All Other Revenue	686,154	373,762	312,392
Total	<u>\$11,720,052</u>	<u>\$10,971,459</u>	<u>\$748,593</u>

General Fund revenues in 2004 increased approximately 6.8% compared to revenues in fiscal year 2003. This increase is 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 interest rates slowly improving. All Other Revenue increased because of commissions the County receives on the Recycling Center.

	2004 Expenditures	2003 Expenditures	Increase (Decrease)
General Government:			
Legislative and Executive	\$5,197,051	\$4,746,333	\$450,718
Judicial	1,698,737	1,575,402	123,335
Public Safety	3,339,178	3,115,895	223,283
Public Works	118,213	104,547	13,666
Health	224,308	180,346	43,962
Human Services	561,220	770,722	(209,502)
Capital Outlay	353,430	224,796	128,634
Debt Service:			
Principal Retirement	1,586	1,480	106
Interst and Fiscal Charges	212	318	(106)
Total	<u>\$11,493,935</u>	<u>\$10,719,839</u>	<u>\$774,096</u>

Expenditures increased by \$774,096 or 7.2% 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 extra expenses in defending a health issue. The increase in public safety was the result of the operations of a new jail facility.

Public Assistance Fund – The County's Public Assistance Fund balance increased by 129.8%. This increase in fund balance was the result of increases in state and federal grant monies received.

KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Motor Vehicle and Gasoline Tax Fund – The County's Motor Vehicle and Gasoline Tax Fund balance increased by 39%. This increase in fund balance was the result of a two-cent increase in gasoline taxes in the middle of the year and federal emergency grant monies received.

Children Services Board Fund – The fund balance reported in the Children Services Board Fund remained relatively stable, increasing by only 1.7%.

Mental Retardation Fund – The fund balance reported in the Mental Retardation Fund decreased by 10.9%. 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 2004 the County amended its General Fund budget several times, none significant.

For the General Fund, budget basis revenue of \$11.7 million did not change over the original budget estimates of \$11.7 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2004 the County had \$56,530,115 net of accumulated depreciation invested in land, buildings, equipment, vehicles and infrastructure. Of this total, \$53,480,250 was related to governmental activities and \$3,049,865 to the business-type activities. The following table shows fiscal 2004 and 2003 balances:

	Governmental Activities		Increase (Decrease)
	2004	(Restated) 2003	
Land	\$3,511,122	\$3,086,122	\$425,000
Capital Assets not Being Depreciated	3,511,122	3,086,122	425,000
Buildings and Improvements	24,900,083	24,662,359	237,724
Vehicles	2,622,849	2,553,197	69,652
Machinery and Equipment	3,698,160	3,433,025	265,135
Computer Equipment	919,818	990,100	(70,282)
Infrastructure	41,619,537	40,707,264	912,273
Capital Assets Being Depreciated	73,760,447	72,345,945	1,414,502
Less: Accumulated Depreciation	(23,791,319)	(22,282,979)	(1,508,340)
Totals	\$53,480,250	\$53,149,088	\$331,162

KNOX COUNTY, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

The primary increases occurred in infrastructure, which consists of the street and bridge projects the County is involved in. Flooding in the county forced the replacement of several bridges and culverts that was not anticipated.

	Business-Type Activities		Increase (Decrease)
	2004	2003	
Land	\$236,839	\$236,839	\$0
Capital Assets Not Being Depreciated	236,839	236,839	0
Buildings and Improvements	841,527	819,190	22,337
Vehicles	172,265	172,425	(160)
Machinery and Equipment	1,066,787	1,052,891	13,896
Computer Equipment	40,213	37,545	2,668
Sewer Lines	2,009,927	2,009,927	0
Capital Assets Being Depreciated	4,130,719	4,091,978	38,741
Less: Accumulated Depreciation	(1,317,693)	(1,230,393)	(87,300)
Totals	\$3,049,865	\$3,098,424	(\$48,559)

The primary increases occurred in buildings and improvements and machinery and equipment. Additional information on the County's capital assets can be found in Note 10.

Debt

At December 31, 2004, the County had \$11.4 million in general obligation bonds outstanding, \$510,000 due within one year. The following table summarizes the County's debt outstanding as of December 31, 2004:

	2004	2003
Governmental Activities:		
General Obligation Bonds	\$11,420,000	\$11,910,000
Special Assessment Bonds	90,000	260,000
OPWC Loan Payable	32,704	0
Installment Note Payable	120,000	175,000
Capital Leases Payable	4,461	7,757
Compensated Absences	817,978	811,447
Total Governmental Activities	12,485,143	13,164,204
Business-Type Activities:		
OWDA Loan Payable	70,811	72,705
Landfill Postclosure Care Liability	1,861,422	1,941,245
Compensated Absences	30,159	43,053
Total Business-Type Activities	1,962,392	2,057,003
Totals	\$14,447,535	\$15,221,207

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 2005 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 reducing the monies allocated to local governments for the local government fund and local government revenue assistance fund for 2005 and has reduced other state reimbursements to local governments. The State legislature is contemplating a reduction up to twenty percent, based on monies received in 2003 calendar year, to assist the State in balancing their (the State's) budget. Other State agencies are reducing funding to local governments causing further hardships on these local agencies as they strive to at least maintain, if not enhance, services to their constituents.

Knox County's economy has been resilient in contrast to other counties in the State of Ohio. Sales tax revenue increased, even though modestly, in 2004, 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 it's diversified commercial and industrial economic base. Residential new construction continues to grow due, in part, to location and low mortgage rates.

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, 2004**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport
Assets:					
Cash and Cash Equivalents	\$ 18,257,357	\$ 1,519,420	\$ 19,776,777	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	81,291	0	81,291	93,651	365,612
Cash and Cash Equivalents with Fiscal Agent	115,331	0	115,331	907	0
Investments	0	0	0	251,328	0
Receivables:					
Taxes	7,822,672	0	7,822,672	0	0
Accounts	214,136	263,563	477,699	7,925	4,511
Intergovernmental	4,354,798	0	4,354,798	0	90,330
Interest	88,047	0	88,047	0	0
Special Assessments	8,172	110,612	118,784	0	0
Loans	104,578	0	104,578	0	0
Due from Component Unit	34,047	0	34,047	0	0
Loans Receivable from Component Unit	245,626	0	245,626	0	0
Inventory of Supplies	388,185	95,231	483,416	797	21,447
Prepaid Items	61,572	5,644	67,216	0	0
Capital Assets not Being Depreciated	3,511,122	236,839	3,747,961	0	772,526
Capital Assets Being Depreciated, net	49,969,128	2,813,026	52,782,154	30,456	1,080,171
Total Assets	85,256,062	5,044,335	90,300,397	385,064	2,334,597
Liabilities:					
Accounts Payable	826,050	4,499	830,549	1,216	21,533
Accrued Wages and Benefits	552,656	17,107	569,763	1,154	0
Intergovernmental Payable	388,290	11,601	399,891	0	0
Contracts Payable	124,725	8,989	133,714	0	0
Claims Payable	175,066	0	175,066	0	0
Matured Bonds and Interest Payable	48,379	0	48,379	0	0
Due to Primary Government	0	0	0	0	34,047
Unearned Revenue	7,147,476	0	7,147,476	0	0
Accrued Interest Payable	46,745	0	46,745	0	0
Long Term Liabilities:				0	0
Due Within One Year	1,224,828	86,001	1,310,829	0	28,450
Due in More Than One Year	11,260,315	1,876,391	13,136,706	0	341,976
Total Liabilities	21,794,530	2,004,588	23,799,118	2,370	426,006
Net Assets:					
Invested in Capital Assets, Net of Related Debt	41,903,085	2,979,054	44,882,139	30,456	1,482,271
Restricted For:					
Public Safety	2,066,008	0	2,066,008	0	0
Public Works	2,813,715	0	2,813,715	0	0
Human Services	7,049,545	0	7,049,545	0	0
Capital Projects	1,881,210	0	1,881,210	0	0
Debt Service	572,678	0	572,678	0	0
Other Purposes	2,144,145	0	2,144,145	21,768	0
Unrestricted	5,031,146	60,693	5,091,839	330,470	426,320
Total Net Assets	\$ 63,461,532	\$ 3,039,747	\$ 66,501,279	\$ 382,694	\$ 1,908,591

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Activities
For the Year Ended December 31, 2004**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 7,278,991	\$ 1,621,133	\$ 102,243	\$ 1,163,957
Judicial	1,934,458	575,094	9,781	0
Public Safety	5,733,059	706,810	629,019	0
Public Works	5,427,085	20,935	5,174,945	383,237
Health	478,172	139,786	491,704	0
Human Services	12,136,393	183,466	8,380,991	0
Interest and Fiscal Charges	584,434	0	0	0
Total Governmental Activities	33,572,592	3,247,224	14,788,683	1,547,194
Business-Type Activities:				
Sewer District Fund	1,070,213	1,143,970	0	168,456
Total Business-Type Activities	1,070,213	1,143,970	0	168,456
Total Primary Government	\$ 34,642,805	\$ 4,391,194	\$ 14,788,683	\$ 1,715,650
Component Units:				
Knox New Hope Industries	\$ 102,543	\$ 76,283	\$ 0	\$ 1,867
Knox County Airport	400,288	328,311	40,000	172,514
Total Component Units	\$ 502,831	\$ 404,594	\$ 40,000	\$ 174,381

General Revenues

Property Taxes Levied for:
 General Purposes
 Special Purposes
 Sales Tax
 Shared Revenues
 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

Restated 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			Component Units	
Governmental Activities	Business-Type Activities	Total	Knox New Hope Industries	Knox County Airport
\$ (4,391,658)	\$ 0	\$ (4,391,658)		
(1,349,583)	0	(1,349,583)		
(4,397,230)	0	(4,397,230)		
152,032	0	152,032		
153,318	0	153,318		
(3,571,936)	0	(3,571,936)		
(584,434)	0	(584,434)		
<u>(13,989,491)</u>	<u>0</u>	<u>(13,989,491)</u>		
0	242,213	242,213		
0	242,213	242,213		
<u>(13,989,491)</u>	<u>242,213</u>	<u>(13,747,278)</u>		
			\$ (24,393)	\$ 0
			<u>0</u>	<u>140,537</u>
			<u>(24,393)</u>	<u>140,537</u>
3,457,090	0	3,457,090	0	0
3,845,521	0	3,845,521	0	0
4,808,365	0	4,808,365	0	0
1,943,098	0	1,943,098	0	0
413,663	0	413,663	9,221	2,954
0	0	0	11,541	0
0	0	0	11,986	0
2,025,165	0	2,025,165	135	21,938
<u>(70,875)</u>	<u>70,875</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>16,422,027</u>	<u>70,875</u>	<u>16,492,902</u>	<u>32,883</u>	<u>24,892</u>
2,432,536	313,088	2,745,624	8,490	165,429
<u>61,028,996</u>	<u>2,726,659</u>	<u>63,755,655</u>	<u>374,204</u>	<u>1,743,162</u>
<u>\$ 63,461,532</u>	<u>\$ 3,039,747</u>	<u>\$ 66,501,279</u>	<u>\$ 382,694</u>	<u>\$ 1,908,591</u>

KNOX COUNTY, OHIO**Balance Sheet
Governmental Funds
December 31, 2004**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Assets:			
Cash and Cash Equivalents	\$ 3,626,662	\$ 3,510,664	\$ 566,919
Cash and Cash Equivalents in Segregated Accounts	11,365	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	0
Receivables:			
Taxes	3,749,277	0	0
Accounts	43,275	4,788	737
Intergovernmental	216,221	0	2,124,681
Interest	84,946	0	994
Special Assessments	0	0	0
Loans	0	0	0
Due from Other Funds	42,832	0	0
Interfund Receivable	2,000	50,000	0
Due from Component Unit	34,047	0	0
Loan Receivable from Component Unit	245,626	0	0
Inventory of Supplies, at Cost	3,237	0	384,948
Prepaid Items	38,090	9,183	0
Total Assets	\$ 8,097,578	\$ 3,574,635	\$ 3,078,279
Liabilities:			
Accounts Payable	\$ 306,852	\$ 94,383	\$ 236,925
Accrued Wages and Benefits Payable	198,109	95,619	57,257
Intergovernmental Payable	140,319	58,737	38,040
Contracts Payable	29,484	84,837	0
Matured Bonds and Interest Payable	0	0	0
Due to Other Funds	127,476	5,502	12,180
Interfund Payable	0	0	0
Deferred Revenue	4,210,985	440,378	1,787,985
Total Liabilities	5,013,225	779,456	2,132,387
Fund Balances:			
Reserved for Encumbrances	179,372	276,374	149,686
Reserved for Supplies Inventory	3,237	0	384,948
Reserved for Debt Service	0	0	0
Reserved for Loans Receivable	0	0	0
Reserve for Due From Component Unit	34,047	0	0
Reserved for Loan Receivable from Component Unit	245,626	0	0
Undesignated, Unreserved in:			
General Fund	2,622,071	0	0
Special Revenue Funds	0	2,518,805	411,258
Capital Projects Funds	0	0	0
Total Fund Balances	3,084,353	2,795,179	945,892
Total Liabilities and Fund Balances	\$ 8,097,578	\$ 3,574,635	\$ 3,078,279

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 2,425,537	\$ 1,652,356	\$ 5,372,965	\$ 17,155,103
0	0	69,926	81,291
0	0	2,577	2,577
969,848	1,401,324	1,702,223	7,822,672
0	44,673	105,718	199,191
516,147	64,809	1,432,940	4,354,798
0	0	264	86,204
0	0	8,172	8,172
0	0	104,578	104,578
0	0	127,476	170,308
0	0	16,000	68,000
0	0	0	34,047
0	0	0	245,626
0	0	0	388,185
0	12,176	2,123	61,572
<u>\$ 3,911,532</u>	<u>\$ 3,175,338</u>	<u>\$ 8,944,962</u>	<u>\$ 30,782,324</u>
\$ 54,719	\$ 48,923	\$ 84,248	\$ 826,050
21,696	107,288	72,687	552,656
16,383	79,977	54,834	388,290
855	0	9,549	124,725
0	0	48,379	48,379
0	0	25,150	170,308
0	0	68,000	68,000
1,462,101	1,462,345	2,978,791	12,342,585
<u>1,555,754</u>	<u>1,698,533</u>	<u>3,341,638</u>	<u>14,520,993</u>
7,138	68,913	136,822	818,305
0	0	0	388,185
0	0	709,603	709,603
0	0	104,578	104,578
0	0	0	34,047
0	0	0	245,626
0	0	0	2,622,071
2,348,640	1,407,892	3,407,056	10,093,651
0	0	1,245,265	1,245,265
<u>2,355,778</u>	<u>1,476,805</u>	<u>5,603,324</u>	<u>16,261,331</u>
<u>\$ 3,911,532</u>	<u>\$ 3,175,338</u>	<u>\$ 8,944,962</u>	<u>\$ 30,782,324</u>

KNOX COUNTY, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2004***

Total Governmental Fund Balances		\$ 16,261,331
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		53,480,250
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		5,195,109
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.		1,056,730
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	(11,420,000)	
Special Assessment Bonds Payable	(90,000)	
Ohio Public Works Commission Loan Payable	(32,704)	
Compensated Absences Payable	(817,978)	
Capital Lease Payable	(4,461)	
Installment Note Payable	(120,000)	
Accrued Interest Payable	(46,745)	
	<u>(12,531,888)</u>	<u>(12,531,888)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$ 63,461,532</u></u>

See accompanying notes to the basic financial statements



KNOX COUNTY, OHIO**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Revenues:			
Taxes	\$ 7,122,782	\$ 0	\$ 0
Intergovernmental Revenues	1,498,729	5,759,460	4,530,652
Charges for Services	1,972,428	0	7,907
Licenses and Permits	5,919	0	0
Investment Earnings	382,694	0	6,498
Special Assessments	0	0	0
Fines and Forfeitures	51,346	0	10,447
All Other Revenue	686,154	273,456	33,847
Total Revenue	11,720,052	6,032,916	4,589,351
Expenditures:			
Current:			
General Government:			
Legislative and Executive	5,197,051	0	0
Judicial	1,698,737	0	0
Public Safety	3,339,178	0	0
Public Works	118,213	0	4,296,490
Health	224,308	0	0
Human Services	561,220	4,350,305	0
Capital Outlay	353,430	0	0
Debt Service:			
Principal Retirement	1,586	0	1,710
Interest and Fiscal Charges	212	0	231
Total Expenditures	11,493,935	4,350,305	4,298,431
Excess (Deficiency) of Revenues Over Expenditures	226,117	1,682,611	290,920
Other Financing Sources (Uses):			
Ohio Public Works Commission Loan	0	0	0
Transfers In	122,174	200,000	0
Transfers Out	(466,947)	(303,860)	0
Total Other Financing Sources (Uses)	(344,773)	(103,860)	0
Net Change in Fund Balances	(118,656)	1,578,751	290,920
Fund Balances at Beginning of Year	3,203,695	1,216,428	680,592
Increase (Decrease) in Inventory Reserve	(686)	0	(25,620)
Fund Balances End of Year	\$ 3,084,353	\$ 2,795,179	\$ 945,892

See accompanying notes to the financial statements

KNOX COUNTY, OHIO

Children Services Board	Mental Retardation	Other Governmental Funds	Total Governmental Funds
\$ 906,055	\$ 1,311,483	\$ 2,709,982	\$ 12,050,302
1,038,991	1,761,027	4,126,421	18,715,280
26,858	0	1,068,418	3,075,611
0	0	117,879	123,798
0	0	14,529	403,721
0	0	214,232	214,232
0	0	13,828	75,621
3,521	264,785	516,303	1,778,066
<u>1,975,425</u>	<u>3,337,295</u>	<u>8,781,592</u>	<u>36,436,631</u>
0	0	1,518,020	6,715,071
0	0	225,729	1,924,466
0	0	2,395,144	5,734,322
0	0	236,720	4,651,423
0	0	191,034	415,342
1,936,231	3,517,899	1,821,781	12,187,436
0	0	2,093,640	2,447,070
0	0	715,000	718,296
0	0	587,179	587,622
<u>1,936,231</u>	<u>3,517,899</u>	<u>9,784,247</u>	<u>35,381,048</u>
39,194	(180,604)	(1,002,655)	1,055,583
0	0	32,704	32,704
0	0	947,792	1,269,966
0	0	(570,034)	(1,340,841)
0	0	410,462	(38,171)
<u>39,194</u>	<u>(180,604)</u>	<u>(592,193)</u>	<u>1,017,412</u>
2,316,584	1,657,409	6,195,517	15,270,225
0	0	0	(26,306)
<u>\$ 2,355,778</u>	<u>\$ 1,476,805</u>	<u>\$ 5,603,324</u>	<u>\$ 16,261,331</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, 2004**

Net Change in Fund Balances - Total Governmental Funds \$ 1,017,412

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	3,721,101	
Depreciation Expense	<u>(3,003,562)</u>	
		717,539

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. (386,377)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (370,570)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on 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.

Proceeds from Ohio Public Works Commission Loan	(32,704)	
General Obligation Bond Principal Payment	490,000	
Special Assessment Bond Principal Payment	170,000	
Capital Lease Principal Payment	3,296	
Installment Loan Principal Payment	<u>55,000</u>	
		685,592

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 3,188

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	(6,531)	
Change in Inventory	<u>(26,306)</u>	
		(32,837)

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. 798,589

Change in Net Assets of Governmental Activities \$ 2,432,536

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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,007,200	\$ 7,007,200	\$ 7,037,130	\$ 29,930
Intergovernmental Revenues	1,513,799	1,513,799	1,508,919	(4,880)
Charges for Services	1,972,800	1,972,800	1,948,180	(24,620)
Licenses and Permits	5,200	5,200	5,919	719
Investment Earnings	400,000	400,000	347,844	(52,156)
Fines and Forfeitures	42,500	42,500	54,294	11,794
All Other Revenues	674,930	674,930	723,613	48,683
Total Revenues	<u>11,616,429</u>	<u>11,616,429</u>	<u>11,625,899</u>	<u>9,470</u>
Expenditures:				
General Government - Legislative and Executive	5,819,569	6,108,697	5,123,416	985,281
General Government - Judicial	1,675,088	1,755,383	1,719,355	36,028
Public Safety	3,634,894	3,346,436	3,308,332	38,104
Public Works	392,129	284,728	116,089	168,639
Health	146,485	266,755	223,757	42,998
Human Services	575,519	580,523	571,892	8,631
Conservation and Recreation	9,000	9,000	0	9,000
Capital Outlay	585,812	622,042	383,725	238,317
Total Expenditures	<u>12,838,496</u>	<u>12,973,564</u>	<u>11,446,566</u>	<u>1,526,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,222,067)	(1,357,135)	179,333	1,536,468
Other Financing Sources (Uses):				
Other Financing Uses	(238,221)	(265,409)	(195,830)	69,579
Transfers In	100,000	100,000	100,000	0
Transfers Out	(270,000)	(782,752)	(246,422)	536,330
Advances In	0	0	5,000	5,000
Advances Out	0	(365,000)	0	365,000
Total Other Financing Sources (Uses)	<u>(408,221)</u>	<u>(1,313,161)</u>	<u>(337,252)</u>	<u>975,909</u>
Net Change in Fund Balance	(1,630,288)	(2,670,296)	(157,919)	2,512,377
Fund Balance at Beginning of Year	2,610,217	2,610,217	2,610,217	0
Prior Year Encumbrances	430,706	430,706	430,706	0
Fund Balance at End of Year	<u>\$ 1,410,635</u>	<u>\$ 370,627</u>	<u>\$ 2,883,004</u>	<u>\$ 2,512,377</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,300,000	\$ 6,320,100	\$ 6,498,470	\$ 178,370
All Other Revenues	750,000	750,000	290,590	(459,410)
Total Revenues	<u>7,050,000</u>	<u>7,070,100</u>	<u>6,789,060</u>	<u>(281,040)</u>
Expenditures:				
Human Services	<u>7,655,476</u>	<u>7,898,348</u>	<u>4,566,348</u>	<u>3,332,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(605,476)	(828,248)	2,222,712	3,050,960
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	(350,000)	(350,000)	(303,860)	46,140
Advances Out	<u>0</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(200,000)</u>	<u>(153,860)</u>	<u>46,140</u>
Net Change in Fund Balance	(755,476)	(1,028,248)	2,068,852	3,097,100
Fund Balance at Beginning of Year	723,812	723,812	723,812	0
Prior Year Encumbrances	<u>304,438</u>	<u>304,438</u>	<u>304,438</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 272,774</u>	<u>\$ 2</u>	<u>\$ 3,097,102</u>	<u>\$ 3,097,100</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 4,230,000	\$ 4,318,856	\$ 4,468,944	\$ 150,088
Charges for Services	3,000	3,000	7,895	4,895
Investment Earnings	3,500	3,500	5,713	2,213
Fines and Forfeitures	14,000	14,000	10,989	(3,011)
All Other Revenues	16,500	16,500	33,172	16,672
Total Revenues	<u>4,267,000</u>	<u>4,355,856</u>	<u>4,526,713</u>	<u>170,857</u>
Expenditures:				
Public Works	<u>4,225,000</u>	<u>5,078,457</u>	<u>4,523,684</u>	<u>554,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,000	(722,601)	3,029	725,630
Other Financing Sources (Uses):				
Transfers In	0	176,968	0	(176,968)
Advances In	0	365,000	0	(365,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>541,968</u>	<u>0</u>	<u>(541,968)</u>
Net Change in Fund Balance	42,000	(180,633)	3,029	183,662
Fund Balance at Beginning of Year	146,882	146,882	146,882	0
Prior Year Encumbrances	57,755	57,755	57,755	0
Fund Balance at End of Year	<u>\$ 246,637</u>	<u>\$ 24,004</u>	<u>\$ 207,666</u>	<u>\$ 183,662</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,108,700	\$ 1,108,700	\$ 906,055	\$ (202,645)
Intergovernmental Revenues	1,460,000	1,257,362	1,024,261	(233,101)
Charges for Services	85,100	85,100	35,398	(49,702)
All Other Revenues	256,000	256,000	3,789	(252,211)
Total Revenues	<u>2,909,800</u>	<u>2,707,162</u>	<u>1,969,503</u>	<u>(737,659)</u>
Expenditures:				
Human Services	<u>2,586,500</u>	<u>2,599,911</u>	<u>2,017,885</u>	<u>582,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	323,300	107,251	(48,382)	(155,633)
Other Financing Sources (Uses):				
Other Financing Sources	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>(2,500)</u>
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>(2,500)</u>
Net Change in Fund Balance	325,800	109,751	(48,382)	(158,133)
Fund Balance at Beginning of Year	2,448,347	2,448,347	2,448,347	0
Prior Year Encumbrances	<u>13,411</u>	<u>13,411</u>	<u>13,411</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,787,558</u>	<u>\$ 2,571,509</u>	<u>\$ 2,413,376</u>	<u>\$ (158,133)</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,431,300	\$ 1,431,300	\$ 1,311,483	\$ (119,817)
Intergovernmental Revenues	1,791,348	1,791,348	1,915,745	124,397
All Other Revenues	192,883	566,899	255,414	(311,485)
Total Revenues	<u>3,415,531</u>	<u>3,789,547</u>	<u>3,482,642</u>	<u>(306,905)</u>
Expenditures:				
Human Services	<u>4,919,976</u>	<u>4,956,417</u>	<u>3,567,931</u>	<u>1,388,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,504,445)	(1,166,870)	(85,289)	1,081,581
Fund Balance at Beginning of Year	1,615,486	1,615,486	1,615,486	0
Prior Year Encumbrances	<u>38,600</u>	<u>38,600</u>	<u>38,600</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 149,641</u>	<u>\$ 487,216</u>	<u>\$ 1,568,797</u>	<u>\$ 1,081,581</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2004**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer District	Landfill	Total	Activities- Internal Service Fund
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 1,443,480	\$ 75,940	\$ 1,519,420	\$ 1,102,254
Cash and Cash Equivalents with Fiscal Agent	0	0	0	112,754
Receivables:				
Accounts	263,563	0	263,563	14,945
Interest	0	0	0	1,843
Special Assessments	110,612	0	110,612	0
Inventory of Supplies at Cost	95,231	0	95,231	0
Prepaid Items	5,644	0	5,644	0
Total Current Assets	1,918,530	75,940	1,994,470	1,231,796
Noncurrent Assets:				
Restricted Assets:				
Capital Assets not Being Depreciated	93,675	143,164	236,839	0
Capital Assets being Depreciated, net	2,813,026	0	2,813,026	0
Total Noncurrent Assets	2,906,701	143,164	3,049,865	0
Total Assets	4,825,231	219,104	5,044,335	1,231,796
Liabilities:				
Current Liabilities:				
Accounts Payable	4,499	0	4,499	0
Accrued Wages and Benefits	17,107	0	17,107	0
Intergovernmental Payable	11,601	0	11,601	0
Contracts Payable	8,989	0	8,989	0
Claims Payable	0	0	0	175,066
OWDA Loans Payable - Current	2,001	0	2,001	0
Landfill Postclosure Care Liability - Current	0	84,000	84,000	0
Total Current Liabilities	44,197	84,000	128,197	175,066
Noncurrent Liabilities				
Compensated Absences Payable	30,159	0	30,159	0
OWDA Loans Payable	68,810	0	68,810	0
Landfill Postclosure Care Liability	0	1,777,422	1,777,422	0
Total Noncurrent Liabilities	98,969	1,777,422	1,876,391	0
Total Liabilities	143,166	1,861,422	2,004,588	175,066
Net Assets:				
Invested in Capital Assets, net of related debt	2,835,890	143,164	2,979,054	0
Unrestricted	1,846,175	(1,785,482)	60,693	1,056,730
Total Net Assets	\$ 4,682,065	\$ (1,642,318)	\$ 3,039,747	\$ 1,056,730

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, 2004**

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer District	Landfill	Total	Activities- Internal Service Funds
Operating Revenues:				
Charges for Services	\$ 966,252	\$ 0	\$ 966,252	\$ 3,584,611
Tap In Fees	91,192	0	91,192	0
Other Operating Revenue	64,352	0	64,352	0
Total Operating Revenues	1,121,796	0	1,121,796	3,584,611
Operating Expenses:				
Personal Services	536,508	0	536,508	0
Contractual Services	252,570	0	252,570	265,585
Materials and Supplies	127,894	0	127,894	0
Depreciation	112,559	0	112,559	0
Other Operating Expenses	36,776	0	36,776	0
Health Insurance Claims	0	0	0	2,586,720
Total Operating Expenses	1,066,307	0	1,066,307	2,852,305
Operating Income	55,489	0	55,489	732,306
Nonoperating Revenue (Expenses):				
Investment Earnings	22,174	0	22,174	9,942
Interest Expense	(3,906)	0	(3,906)	0
Other Nonoperating Revenue	0	0	0	56,546
Other Nonoperating Expense	0	0	0	(205)
Total Nonoperating Revenues (Expenses)	18,268	0	18,268	66,283
Income (Loss) Before Contributions and Transfers	73,757	0	73,757	798,589
Capital Contributions - Tap in Fees	168,456	0	168,456	0
Transfers In	0	93,049	93,049	0
Transfers Out	(22,174)	0	(22,174)	0
Change in Net Assets	220,039	93,049	313,088	798,589
Net Assets Beginning of Year	4,462,026	(1,735,367)	2,726,659	258,141
Net Assets End of Year	\$ 4,682,065	\$ (1,642,318)	\$ 3,039,747	\$ 1,056,730

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004**

	Business Type Activities - Enterprise Funds			Governmental-
	Sewer	Landfill	Totals	Activities
	District			Internal Service
				Fund
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,032,662	\$0	\$1,032,662	\$0
Cash Received from Quasiexternal Transactions with Other Funds	0	0	0	3,681,643
Cash Payments to Suppliers for Goods and Services	(441,987)	(79,823)	(521,810)	(355,057)
Cash Payments to Employees for Service	(542,049)	0	(542,049)	0
Cash Payments for Claims	0	0	0	(2,673,479)
Other Operating Receipts	63,814	0	63,814	56,546
Net Cash Provided (Used) for Operating Activities	112,440	(79,823)	32,617	709,653
<u>Cash Flows from Noncapital and Related Financing Activities:</u>				
Transfers In	0	93,049	93,049	0
Transfers Out	(22,174)	0	(22,174)	0
Net Cash Provided (Used) by Noncapital and Related Financing Activities	(22,174)	93,049	70,875	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	168,456	0	168,456	0
Acquisition of Capital Assets	(64,000)	0	(64,000)	0
Principal Paid on Ohio Water Development Loan Payable	(1,894)	0	(1,894)	0
Interest Paid on Debt	(3,906)	0	(3,906)	0
Net Cash Provided for Capital and Related Financing Activities	107,957	0	107,957	0
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	22,174	0	22,174	8,392
Net Cash Provided by Investing Activities	22,174	0	22,174	8,392
Net Increase in Cash and Cash Equivalents	220,397	13,226	233,623	718,045
Cash and Cash Equivalents at Beginning of Year	1,223,083	62,714	1,285,797	496,963
Cash and Cash Equivalents at End of Year	\$1,443,480	\$75,940	\$1,519,420	\$1,215,008

(Continued)

KNOX COUNTY, OHIO

	Business Type Activities - Enterprise Funds			Governmental-
				Activities
	Sewer District	Landfill	Totals	Internal Service Fund
<u>Reconciliation of Operating Income to Net Cash Provided (Used) for Operating Activities:</u>				
Operating Income	\$55,489	\$0	\$55,489	\$732,306
Adjustments to Reconcile Operating Income to Net Cash Provided for Operating Activities:				
Depreciation Expense	112,559	0	112,559	0
Miscellaneous Nonoperating Revenue	0	0	0	56,546
Miscellaneous Nonoperating Expense	0	0	0	(205)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(25,320)	0	(25,320)	7,765
Decrease in Inventory	8,890	0	8,890	0
Increase in Prepaid Items	(549)	0	(549)	0
Decrease in Accounts Payable	(3,979)	0	(3,979)	0
Decrease in Contracts Payable	(29,109)	0	(29,109)	0
Increase in Accrued Wages and Benefits	4,616	0	4,616	0
Decrease in Closure and Postclosure Care Payable	0	(79,823)	(79,823)	0
Increase in Intergovernmental Payable	2,737	0	2,737	0
Decrease in Compensated Absences	(12,894)	0	(12,894)	0
Decrease in Claims Payable	0	0	0	(86,759)
Total Adjustments	<u>56,951</u>	<u>(79,823)</u>	<u>(22,872)</u>	<u>(22,653)</u>
Net Cash Provided (Used) for Operating Activities	<u>\$112,440</u>	<u>(\$79,823)</u>	<u>\$32,617</u>	<u>\$709,653</u>

See accompanying notes to the basic financial statements

KNOX COUNTY, OHIO

**Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2004**

	<u>Agency</u>
Assets:	
Cash and Cash Equivalents	\$ 4,254,970
Cash and Cash Equivalents in Segregated Accounts	279,816
Receivables:	
Taxes	48,970,851
Accounts	10,150
Special Assessments	9,630
Due from Other Governments	3,109,441
Total Assets	<u>\$ 56,634,858</u>
Liabilities:	
Due to Other Governments	\$ 54,922,857
Undistributed Monies	272,835
Due to Others	1,439,166
Total Liabilities	<u>\$ 56,634,858</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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, 2004***

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 2004.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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 2004.

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, 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.

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, 2004***

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, 2004***

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.

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, 2004***

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, 2004***

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, 2004***

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, 2004, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2005 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, 2004***

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 2004.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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 2004, 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, 2004***

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 2004 amounted to \$435,837.

The County has invested funds in the STAR Ohio during 2004. 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, 2004.

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, 2004, 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, 2004***

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	N/A	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, 2004**

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 funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. 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	Bond Retirement Fund
Special Assessment Bond	Bond Retirement 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, 2004***

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, 2004**

NOTE 3 - PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF FUND BALANCE/NET ASSETS

In 2004, the County reported its infrastructure capital assets retrospectively. The retrospective reporting of infrastructure resulted in the restatement of the net assets at December 31, 2003 for governmental activities as follows:

	Governmental Activities
Net Assets at December 31, 2003	\$33,919,921
Retroactive reporting of infrastructure	27,109,075
Restated Net Assets at December 31, 2003	<u>\$61,028,996</u>

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)	(\$118,656)	\$1,578,751	\$290,920	\$39,194	(\$180,604)
Increase (Decrease):					
Net Adjustments for					
Revenue Accruals	(94,153)	756,144	(62,638)	(5,922)	145,347
Net Adjustments for					
Expenditure Accruals	125,221	197,518	134,001	(69,493)	33,527
Transfers In	(22,174)	0	0	0	0
Transfers Out	220,525	0	0	0	0
Advances In	5,000	0	0	0	0
Advances Out	0	(50,000)	0	0	0
Outstanding Encumbrances	(273,682)	(413,561)	(359,254)	(12,161)	(83,559)
Budget Basis	<u>(\$157,919)</u>	<u>\$2,068,852</u>	<u>\$3,029</u>	<u>(\$48,382)</u>	<u>(\$85,289)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The following funds had a deficit fund balance/net assets as of December 31, 2004:

Special Revenue Funds:	
After Hours Probation	\$195
Enterprise Funds:	
Landfill Development	1,642,318

The deficits in the After Hours Probation Fund are the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit fund balances, however, this is done when cash is needed rather than when accruals occur. The deficit in the Landfill Development is the result of the recognition of payables in accordance with generally accepted accounting principles. The deficit will be eliminated when the liability is fully paid.

B. Excess Expenditures Over Appropriations

For the year ended December 31, 2004, expenditures exceeded appropriations at the object level (i.e., the legal level of budgetary control) as follows:

Fund	Excess
Engineering Projects Fund	
Contractual Services	\$ 123,839

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."

Protection of the County's cash and investments may be provided by the Federal Deposit Insurance Corporation, by qualified securities pledged by the institution holding the assets, by surety company bonds deposited with the treasurer by the financial institution, or a single collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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

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

The County is required by Statement No. 3 of the GASB entitled "Deposits with Financial Institutions, Investments and Reserve Repurchase Agreements" to classify deposits and investments to give an indication of the level of credit risk assumed by the County at year end.

A. Deposits

At year-end, the carrying amount of the County's deposits was \$12,801,317 and the bank balance was \$13,258,955. Of the bank balance:

1. \$579,064 was covered by federal depository insurance, or by collateral held by the County's agent in the County's name.
2. \$2,259,961 was insured or collateralized with securities held by the County's agent in the County's name.
3. \$10,419,930 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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

B. Investments

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	<u>Carrying Value</u>	<u>Market Value</u>
Investment in:		
STAR Ohio	\$11,706,868	\$11,706,868

The classification of cash and cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the financial statements and the classifications per GASB statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
Per GASB Statement 9	\$24,508,185	\$0
STAR Ohio	<u>(11,706,868)</u>	<u>11,706,868</u>
Per GASB Statement No. 3	<u>\$12,801,317</u>	<u>\$11,706,868</u>

Component Units

At year end, the carrying value of the Knox New Hope Industries, Inc. deposits was \$94,558 and the bank balance was \$94,826. 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, 2004.

At year end, the carrying value of the Knox County Airport's deposits was \$365,612 and the bank balance was \$371,997. \$100,000 of the bank balance was covered by federal depository insurance, the remainder of the balance was collateralized through an entity pool. Cash and deposits of the Airport are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts." 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, 2004***

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, 2004. 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 2004 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, 2004, was \$9.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property	\$832,519,920
Public Utility Personal Property	39,157,610
Tangible Personal Property	<u>104,742,868</u>
Total Assessed Value	<u>\$976,420,398</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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. Sales tax revenue in 2004 amounted to \$4,717,521 with the \$3,539,775 credited to the General Fund and \$1,177,746 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, 2004**

NOTE 9 - RECEIVABLES

Receivables at December 31, 2004, 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 and child support.

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	\$ 7,099	Drug Abuse Resistance Grant	24,422
Sheriff's Contracts	43,234	Litter Grant	1,548
Animal Control		Youth Services Grant	181,830
and Humane Officer Reimbursement	10,886	VOCA Grant	20,026
Homestead and Rollback Reimbursement	139,940	Jail Diversion Grant	25,552
Public Defender Reimbursement	6,537	Drug Court Grant	173,894
Corsa	8,525	Emergency Management Grant	126,470
Total General Fund	<u>216,221</u>	Home Fund Grant	202,504
		Citizens Corp Program Grant	12,500
Motor Vehicle and Gasoline Tax Fund		Community Health Homestead	
Cents Per Gallon	467,634	and Rollback Reimbursement	32,219
Motor Vehicle District Registration	181,890	Senior Citizen Homestead	
County Motor Vehicle	374,313	and Rollback Reimbursement	44,598
Road Miles	167,798	Parenting Wisely Grant	10,511
5% County Equalization	76,473	Total Nonmajor Special Revenue Funds	<u>856,074</u>
New Permissive	208,018		
Old Permissive	97,707	CDBG Grant	576,866
Gasoline Tax	550,848	Total Nonmajor Capital Projects Funds	<u>576,866</u>
Total Motor Vehicle and Gasoline Tax Fund	<u>2,124,681</u>		
		Total Governmental Fund Types	<u>\$4,354,798</u>
Children Services Board Fund			
Children Services Homestead		Agency Funds	
and Rollback Reimbursement	49,240	Local Government	\$907,576
Children Services Grant	451,481	Revenue Assistance	219,469
Children Services Child		Library Local Government	850,190
Wellness Expense Reimbursement	9,040	Cents Per Gallon	375,186
Children Services Foster Care	22	Motor Vehicle Registration	88,890
Children Services IVEFC Reimbursement	6,364	Township Road Miles	100,618
Total Children Services Board	<u>516,147</u>	New Permissive	61,302
		Old Permissive	47,469
Mental Retardation Fund		Workers Compensation	11,016
Mental Retardation Homestead		Gasoline Tax	447,725
and Rollback Reimbursement	64,809	Total Agency Funds	<u>\$3,109,441</u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2004:

<i>Historical Cost:</i>	(Restated)			
Class	December 31, 2003	Additions	Deletions	December 31, 2004
<i>Capital assets not being depreciated:</i>				
Land	\$3,086,122	\$425,000	\$0	\$3,511,122
Subtotal	3,086,122	425,000	0	3,511,122
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	24,662,359	286,524	(48,800)	24,900,083
Machinery and Equipment	3,433,025	572,048	(306,913)	3,698,160
Vehicles	2,553,197	301,784	(232,132)	2,622,849
Computer Equipment	990,100	71,678	(141,960)	919,818
Infrastructure	40,707,264	2,064,067	(1,151,794)	41,619,537
Subtotal	72,345,945	3,296,101	(1,881,599)	73,760,447
Total Cost	<u>\$75,432,067</u>	<u>\$3,721,101</u>	<u>(\$1,881,599)</u>	<u>\$77,271,569</u>
 <i>Accumulated Depreciation:</i>				
Class	(Restated)			
Class	December 31, 2003	Additions	Deletions	December 31, 2004
Buildings and Improvements	(\$4,062,659)	(\$922,283)	\$0	(\$4,984,942)
Machinery and Equipment	(2,003,811)	(298,121)	36,132	(2,265,800)
Vehicles	(1,795,114)	(189,364)	199,022	(1,785,456)
Computer Equipment	(729,251)	(94,856)	108,274	(715,833)
Infrastructure	(13,692,144)	(1,498,938)	1,151,794	(14,039,288)
Total Depreciation	<u>(\$22,282,979)</u>	<u>(\$3,003,562) *</u>	<u>\$1,495,222</u>	<u>(\$23,791,319)</u>
<i>Net Value:</i>	<u>\$53,149,088</u>			<u>\$53,480,250</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

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	\$511,486
Judicial	25,718
Public Safety	494,532
Public Works	1,674,722
Health	68,391
Human Services	228,713
Total Depreciation Expense	<u>\$3,003,562</u>

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2004:

Historical Cost:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Capital assets not being depreciated:				
Land	\$236,839	\$0	\$0	\$236,839
Capital assets being depreciated:				
Buildings and Improvements	819,190	22,337	0	841,527
Machinery and Equipment	1,052,891	13,896	0	1,066,787
Vehicles	172,425	19,135	(19,295)	172,265
Computer Equipment	37,545	8,632	(5,964)	40,213
Sewer and Water Lines	2,009,927	0	0	2,009,927
Subtotal	<u>4,091,978</u>	<u>64,000</u>	<u>(25,259)</u>	<u>4,130,719</u>
Total Cost	<u>\$4,328,817</u>	<u>\$64,000</u>	<u>(\$25,259)</u>	<u>\$4,367,558</u>

Accumulated Depreciation:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Buildings and Improvements	(\$248,714)	(\$14,532)	\$0	(\$263,246)
Machinery and Equipment	(163,114)	(32,865)	0	(195,979)
Vehicles	(55,432)	(19,265)	19,295	(55,402)
Computer Equipment	(16,644)	(5,698)	5,964	(16,378)
Sewer and Water Lines	(746,489)	(40,199)	0	(786,688)
Total Depreciation	<u>(\$1,230,393)</u>	<u>(\$112,559)</u>	<u>\$25,259</u>	<u>(\$1,317,693)</u>
Net Value:	<u>\$3,098,424</u>			<u>\$3,049,865</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

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, 2004, follows:

Knox New Hope Industries

Historical Cost:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
<i>Capital assets being depreciated:</i>				
Machinery and Equipment	\$59,596	\$2,760	(\$2,539)	\$59,817
Vehicles	63,676	800	0	64,476
Computer Equipment	10,635	0	0	10,635
Subtotal	133,907	3,560	(2,539)	134,928
Total Cost	\$133,907	\$3,560	(\$2,539)	\$134,928

Accumulated Depreciation:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Machinery and Equipment	(26,142)	(6,244)	0	(32,386)
Vehicles	(59,144)	(4,551)	0	(63,695)
Computer Equipment	(7,138)	(1,253)	0	(8,391)
Total Depreciation	(\$92,424)	(\$12,048)	\$0	(\$104,472)
Net Value:	\$41,483			\$30,456

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KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 10 - CAPITAL ASSETS (Continued)

C. Component Unit Capital Assets (Continued)

Knox County Airport

<i>Historical Cost:</i>	December 31,			December 31,
Class	2003	Additions	Deletions	2004
<i>Capital assets not being depreciated:</i>				
Land	\$744,837	\$0	\$0	\$744,837
Construction in Progress	34,322	27,689	(34,322)	27,689
Subtotal	779,159	27,689	(34,322)	772,526
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	782,316	37,028	0	819,344
Machinery and Equipment	541,099	8,083	(3,656)	545,526
Vehicles	41,000	0	0	41,000
Computer Equipment	1,522	1,060	0	2,582
Subtotal	1,365,937	46,171	(3,656)	1,408,452
Total Cost	\$2,145,096	\$73,860	(\$37,978)	\$2,180,978
<i>Accumulated Depreciation:</i>				
Class	December 31,	Additions	Deletions	December 31,
	2003			2004
Buildings and Improvements	(\$169,680)	(\$15,791)	\$0	(\$185,471)
Machinery and Equipment	(84,529)	(19,261)	0	(103,790)
Vehicles	(32,619)	(5,000)	0	(37,619)
Computer Equipment	(1,401)	0	0	(1,401)
Total Depreciation	(\$288,229)	(\$40,052)	\$0	(\$328,281)
<i>Net Value:</i>	\$1,856,867			\$1,852,697

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, 2004***

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 2004. 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 \$678,056 in property taxes for the Board during 2004. 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 2004. 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, 2004***

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 2004. 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 2004.

MEORC has contracted with Knox County to provide payroll services for seven employees of the Council. MEORC reimburses the County for any expenditures incurred. At December 31, 2004, MEORC owed the County \$277,383.

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 2004, 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, 2004***

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 \$196,213 in the form of insurance premiums during 2004 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, 2004***

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 \$175,066 reported in the fund at December 31, 2004 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>
2003	\$361,409	\$2,928,010	(\$3,027,594)	\$261,825
2004	261,825	2,586,720	(2,673,479)	175,066

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, 2004***

NOTE 14 - DEFINED BENEFIT RETIREMENT PLANS

A. Public Employees Retirement System

All Knox County full-time employees, other than teachers, 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. 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.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, 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 2004. The County contribution for law enforcement employees for 2004 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, 2004, 2003, and 2002 were \$2,218,541, \$2,050,161, and \$1,910,026, respectively: 90.28 percent has been contributed for 2004 and 100 percent has been contributed for 2003 and 2002. The unpaid contribution for 2004 is recorded as a liability in the respective funds.

B. State Teachers Retirement System

Certified teachers employed by the school for the Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, OH 43215-3771.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 14 - DEFINED BENEFIT RETIREMENT PLANS (Continued)

B. State Teachers Retirement System (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

The Ohio Revised Code provides statutory authority for County and employee contributions. The contribution requirements of plan members and the County are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. For fiscal year ended June 30, 2004, 13% was the portion of County contribution used to fund pension obligations. The County's contributions to STRS for the years ended December 31, 2004, 2003, and 2002 were \$9,645, \$29,199, and \$27,997, respectively; 100 percent has been contributed for 2004, 2003 and 2002.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. 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 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 2004 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 2004 was 16.7 percent; 4.0 percent was used to fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 15 - POSTEMPLOYMENT BENEFITS (Continued)

A. Public Employees Retirement System (Continued)

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, 2003. 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 2003 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 was 369,885. The County's actual contributions for 2004 which were used to fund postemployment benefits were \$798,662. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

PERS adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007 that will restructure OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs.

B. State Teachers Retirement System

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

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$3,472 for 2004.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 15 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2004, was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and there were 111,853 eligible benefit recipients.

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, 2004, the liability for compensated absences was \$848,137 for the entire County.

NOTE 17 - CAPITAL LEASES - LESSEE DISCLOSURE

Two capital leases were entered into during 2001 for copying equipment. 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 and \$8,160 for the copier for the Engineer's Office, 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 2004 totaled \$1,586 for the copier for the Tax Map Department and \$1,710 for the copier for the Engineer's Office.

Future minimum lease payments as of December 31, 2004 are as follows:

Year Ending December 31,	Map Department Amount	Engineer Department Amount
2005	1,798	1,941
2006	449	485
Minimum Lease Payments	2,247	2,426
Less amount representing interest at the County's incremental borrowing rate of interest	(102)	(110)
Present value of minimum lease payments	<u>\$2,145</u>	<u>\$2,316</u>

KNOX COUNTY, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 18 - LONG-TERM LIABILITIES

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

	Balance December 31, 2003	Additions	(Reductions)	Balance December 31, 2004	Due Within One Year
Governmental Activities:					
Special Assessment Bond Payable with Governmental Commitment					
1984 9.50% Sewer District Improvement	\$85,000	\$0	(\$85,000)	\$0	\$0
1985 8.38% Sewer District Improvement	175,000	0	(85,000)	90,000	90,000
Total Special Assessment Bonds	<u>260,000</u>	<u>0</u>	<u>(170,000)</u>	<u>90,000</u>	<u>90,000</u>
General Obligation Bonds Payable					
1998 5.02% Children's Resource Center	990,000	0	(45,000)	945,000	50,000
1997 5.27% Corporate Center	1,945,000	0	(100,000)	1,845,000	105,000
2001 5.04% Correctional Facility	6,132,000	0	(236,000)	5,896,000	244,000
2001 5.05% Board of Health Center	1,533,000	0	(59,000)	1,474,000	61,000
2002 4.75% JFS Training Center	1,310,000	0	(50,000)	1,260,000	50,000
Total General Obligation Bonds	<u>11,910,000</u>	<u>0</u>	<u>(490,000)</u>	<u>11,420,000</u>	<u>510,000</u>
Installment Note-Board of Elections	175,000	0	(55,000)	120,000	60,000
Ohio Public Works Commission Loan Payable	0	32,704	0	32,704	1,635
Capital Leases-General Fund - Tax Map Department	3,731	0	(1,586)	2,145	1,701
Capital Leases-Motor Vehicle and Gasoline Tax Fund - Engineer Department	4,026	0	(1,710)	2,316	1,835
Total Capital Leases	<u>7,757</u>	<u>0</u>	<u>(3,296)</u>	<u>4,461</u>	<u>3,536</u>
Compensated Absences	811,447	817,978	(811,447)	817,978	\$559,657
Total Governmental Activities	<u>\$13,164,204</u>	<u>\$850,682</u>	<u>(\$1,529,743)</u>	<u>\$12,485,143</u>	<u>\$1,224,828</u>
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):					
2000 2.00% Water Treatment Plant/Clearwells/Wellfield	\$72,705	\$0	(\$1,894)	\$70,811	\$2,001
Total Ohio Water Development Authority Loans	<u>72,705</u>	<u>0</u>	<u>(1,894)</u>	<u>70,811</u>	<u>2,001</u>
Landfill Postclosure Care Liability	1,941,245	0	(79,823)	1,861,422	84,000
Compensated Absences	43,053	30,159	(43,053)	30,159	0
Total Business-Type Long-Term Debt	<u>\$2,057,003</u>	<u>\$30,159</u>	<u>(\$124,770)</u>	<u>\$1,962,392</u>	<u>\$86,001</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

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 will be paid 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 in the Long-Term Liabilities account and will be paid from the fund from which the employee is paid.

Special assessment bonded debt service requirements to maturity, including \$7,538 of interest; Board of Elections note installment requirements to maturity, including \$9,360 of interest; Corporate Center bond requirements to maturity, including \$767,405 of interest; Children’s Resource Center bond requirements to maturity, including \$386,186 of interest; Correctional Facility bond requirements to maturity, including \$2,856,318 of interest; Board of Health Center bond requirements to maturity, including \$714,080 of interest; JFS Training Center bond requirements to maturity, including \$583,510 of interest; the OWDA Loan requirements to maturity, including \$47,409 of interest; and the OPWC Loan requirements to maturity which is noninterest bearing are as follows:

Governmental Activities:

Years	General Obligation Bonds		Special Assessment		Installment Note		OPWC Loan Payable
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2005	\$510,000	\$534,688	\$90,000	\$7,538	\$60,000	\$6,240	\$1,635
2006	530,000	515,215	0	0	60,000	3,120	3,270
2007	550,000	494,470	0	0	0	0	3,271
2008	570,000	471,955	0	0	0	0	3,270
2009	595,000	447,753	0	0	0	0	3,271
2010-2014	3,400,000	1,810,408	0	0	0	0	16,352
2015-2019	3,790,000	914,510	0	0	0	0	1,635
2020-2024	1,475,000	118,500	0	0	0	0	0
Totals	\$11,420,000	\$5,307,499	\$90,000	\$7,538	\$120,000	\$9,360	\$32,704

Business-type Activities:

Years	OWDA Loan Payable	
	Principal	Interest
2005	\$2,001	\$3,910
2006	2,114	3,797
2007	2,234	3,677
2008	2,359	3,552
2009	2,492	3,419
2010-2014	14,734	14,821
2015-2019	19,382	10,173
2020-2024	25,495	4,060
Totals	\$70,811	\$47,409

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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, 2004, are an overall debt margin of \$18,095,933; and an unvoted debt margin of \$4,949,627.

NOTE 19 - NOTES PAYABLE AND LOANS PAYABLE

Component Units

At December 31, 2004, the Knox County Airport had \$124,800 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, 2004, in the amount of \$245,626 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.

NOTE 20 - INTERFUND TRANSACTIONS

The following balances at December 31, 2004 represent transfers in and transfers out:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$122,174	\$466,947
Public Assistance Fund	200,000	303,860
Other Governmental Funds	947,792	570,034
Total Governmental Funds	1,269,966	1,340,841
Business-Type Activities:		
Sewer Fund	0	22,174
Landfill Fund	93,049	0
Total Enterprise Funds	93,049	22,174
Totals	<u>\$1,363,015</u>	<u>\$1,363,015</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 20 - INTERFUND TRANSACTIONS (Continued)

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, 2004, 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	\$42,832	\$127,476
Public Assistance	0	5,502
Motor Vehicle & Gas Tax	0	12,180
Other Governmental Funds	127,476	25,150
Total Due from/Due to Other Funds	<u>\$170,308</u>	<u>\$170,308</u>
<u>Interfund Receivables/Payables:</u>		
General Fund	\$2,000	\$0
Public Assistance	50,000	0
Other Governmental Funds	16,000	68,000
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.

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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, 2004.

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, 2004 for engineering, monitoring, and testing the landfill closure requirements to Bennett & Williams, Inc. and MASI, Inc. to ensure that requirements are being met. No assets are restricted for payment of closure and postclosure care costs. There is an estimate for postclosure care costs until the year 2023. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. The costs of monitoring the Landfill will be covered by a transfer from the General Fund to the Landfill Development Fund. The County has met State required postclosure care financial assurance requirements.

NOTE 24 - RELATED PARTY TRANSACTIONS

During 2004 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 \$11,986 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 \$1,166,619 during 2004.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

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, 2004, there were twenty-four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,600,000.

Also, at December 31, 2004, Industrial Revenue Bonds outstanding for Knox Community Hospital totaled \$39,645,000, 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 donations 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 is not presented because there are no assets or liabilities at year end.)

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.

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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Storm Water Management Fund

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

Concealed Handgun License Fund

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

(Continued)

Special Revenue Funds

Workforce Investment Act (WIA) Programs Fund

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

Flood Assistance Fund

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

Citizen Corps Program Grant Fund

The fund accounts for grant monies to provide funding for County Citizen Corps Councils. It is to implement public education, maximize volunteer opportunities and encourage cooperation and collaboration among community leaders. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year.)

Parenting Wisely Fund

The fund accounts for a subgrant received from the Ohio Department of Youth Services, which is to be used for educating juveniles on how to be a good parent.

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.)

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.)

(Continued)

Special Revenue Funds

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 fees 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 Fund

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

Capital Projects Funds

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

Permanent Improvement Fund

The fund accounts for intergovernmental revenues and 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.

Correctional Facility Construction Fund

The fund accounts for expenses to construct, equip and furnish a facility to house a county jail, including an emergency operations center and the office of the County Sheriff. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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 construction of a water tower at Apple Valley.

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.

(Continued)

Capital Projects Funds

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.

Board of Health Center Fund

The fund accounts for expenses to construct, equip and furnish a County Health Department. (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.

Highway Planning and Construction Grant Fund

The fund accounts for planning and construction of county roads, partially funded by Ohio Department of Transportation. (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.)

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, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 3,439,180	\$ 630,506	\$ 1,303,279	\$ 5,372,965
Cash and Cash Equivalents in Segregated Accounts	69,926	0	0	69,926
Cash and Cash Equivalents with Fiscal Agent	0	0	2,577	2,577
Receivables:				
Taxes	1,702,223	0	0	1,702,223
Accounts	105,718	0	0	105,718
Intergovernmental	856,074	0	576,866	1,432,940
Interest	48	0	216	264
Special Assessments	8,172	0	0	8,172
Loans	104,578	0	0	104,578
Due from Other Funds	0	127,476	0	127,476
Interfund Receivable	16,000	0	0	16,000
Prepaid Items	2,123	0	0	2,123
Total Assets	\$ 6,304,042	\$ 757,982	\$ 1,882,938	\$ 8,944,962
Liabilities:				
Accounts Payable	\$ 84,248	\$ 0	\$ 0	\$ 84,248
Accrued Wages and Benefits Payable	72,687	0	0	72,687
Intergovernmental Payable	54,834	0	0	54,834
Contracts Payable	7,953	0	1,596	9,549
Matured Bonds and Interest Payable	0	48,379	0	48,379
Due to Other Funds	25,018	0	132	25,150
Interfund Payable	68,000	0	0	68,000
Deferred Revenue	2,401,925	0	576,866	2,978,791
Total Liabilities	2,714,665	48,379	578,594	3,341,638
Fund Balances:				
Reserved for Encumbrances	77,743	0	59,079	136,822
Reserved for Debt Service	0	709,603	0	709,603
Reserved for Loans Receivable	104,578	0	0	104,578
Unreserved, Undesignated in:				
Special Revenue Funds	3,407,056	0	0	3,407,056
Capital Projects Funds	0	0	1,245,265	1,245,265
Total Fund Balances	3,589,377	709,603	1,304,344	5,603,324
Total Liabilities and Fund Balances	\$ 6,304,042	\$ 757,982	\$ 1,882,938	\$ 8,944,962

KNOX COUNTY, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 2,709,982	\$ 0	\$ 0	\$ 2,709,982
Intergovernmental Revenues	2,579,227	0	1,547,194	4,126,421
Charges for Services	1,068,418	0	0	1,068,418
Licenses and Permits	117,879	0	0	117,879
Investment Earnings	7,878	0	6,651	14,529
Special Assessments	13,011	201,221	0	214,232
Fines and Forfeitures	13,828	0	0	13,828
All Other Revenue	219,011	256,265	41,027	516,303
Total Revenue	6,729,234	457,486	1,594,872	8,781,592
Expenditures:				
Current:				
General Government				
Legislative and Executive	1,518,020	0	0	1,518,020
Judicial	225,729	0	0	225,729
Public Safety	2,395,144	0	0	2,395,144
Public Works	236,720	0	0	236,720
Health	191,034	0	0	191,034
Human Services	1,821,781	0	0	1,821,781
Capital Outlay	3,855	0	2,089,785	2,093,640
Debt Service:				
Principal Retirement	0	715,000	0	715,000
Interest and Fiscal Charges	0	587,179	0	587,179
Total Expenditures	6,392,283	1,302,179	2,089,785	9,784,247
Excess (Deficiency) of Revenues Over Expenditures	336,951	(844,693)	(494,913)	(1,002,655)
Other Financing Sources (Uses):				
Ohio Public Works Commission Loan	0	0	32,704	32,704
Transfers In	47,725	900,067	0	947,792
Transfers Out	(101,303)	0	(468,731)	(570,034)
Total Other Financing Sources (Uses)	(53,578)	900,067	(436,027)	410,462
Net Change in Fund Balances	283,373	55,374	(930,940)	(592,193)
Fund Balances at Beginning of Year	3,306,004	654,229	2,235,284	6,195,517
Fund Balances End of Year	\$ 3,589,377	\$ 709,603	\$ 1,304,344	\$ 5,603,324

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Dog and Kennel	Indigent Guardianship	Conduct of Business	Courts Computer
Assets:				
Cash and Cash Equivalents	\$ 195,435	\$ 5,693	\$ 4,231	\$ 40,647
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	440	690	42	2,140
Intergovernmental	0	0	0	0
Interest	0	0	0	48
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	\$ 195,875	\$ 6,383	\$ 4,273	\$ 42,835
Liabilities:				
Accounts Payable	\$ 2,110	\$ 2,020	\$ 0	\$ 414
Accrued Wages and Benefits Payable	2,226	0	0	0
Intergovernmental Payable	1,714	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	6,050	2,020	0	414
Fund Balances:				
Reserved for Encumbrances	824	0	0	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	189,001	4,363	4,273	42,421
Total Fund Balances	189,825	4,363	4,273	42,421
Total Liabilities and Fund Balances	\$ 195,875	\$ 6,383	\$ 4,273	\$ 42,835

KNOX COUNTY, OHIO

<u>Recorder's Equipment</u>	<u>Courts' Computer Research</u>	<u>Time Out Program</u>	<u>Court Security</u>	<u>Probate-Juvenile Special Project</u>
\$ 34,381	\$ 3,561	\$ 1,455	\$ 98	\$ 27,243
0	0	0	0	0
0	0	0	0	0
200	176	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>\$ 34,581</u>	<u>\$ 3,737</u>	<u>\$ 1,455</u>	<u>\$ 98</u>	<u>\$ 27,243</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	308	0	0
0	0	286	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>594</u>	<u>0</u>	<u>0</u>
4,979	0	0	0	0
0	0	0	0	0
<u>29,602</u>	<u>3,737</u>	<u>861</u>	<u>98</u>	<u>27,243</u>
<u>34,581</u>	<u>3,737</u>	<u>861</u>	<u>98</u>	<u>27,243</u>
<u>\$ 34,581</u>	<u>\$ 3,737</u>	<u>\$ 1,455</u>	<u>\$ 98</u>	<u>\$ 27,243</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	After Hours Probation	Juvenile Court Social Workers	Automated Title Processing	Delinquent Tax Assessment Collection
Assets:				
Cash and Cash Equivalents	\$ 817	\$ 94,792	\$ 87,247	\$ 232,310
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	25,551	16,250	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	11,000	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 817	\$ 131,343	\$ 103,497	\$ 232,310
Liabilities:				
Accounts Payable	\$ 195	\$ 0	\$ 0	\$ 2,000
Accrued Wages and Benefits Payable	532	2,796	4,259	916
Intergovernmental Payable	285	2,180	3,081	744
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	1,012	4,976	7,340	3,660
Fund Balances:				
Reserved for Encumbrances	0	0	745	3
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	(195)	126,367	95,412	228,647
Total Fund Balances	(195)	126,367	96,157	228,650
Total Liabilities and Fund Balances	\$ 817	\$ 131,343	\$ 103,497	\$ 232,310

KNOX COUNTY, OHIO

<u>VOCA and SVAA Grant</u>	<u>Marine Patrol Grant</u>	<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>
\$ 7,973	\$ 3,593	\$ 213	\$ 18	\$ 7	\$ 11,019
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
20,026	0	24,422	0	0	25,552
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 27,999</u>	<u>\$ 3,593</u>	<u>\$ 24,635</u>	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 36,571</u>
\$ 291	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
909	0	0	0	0	1,593
671	89	147	0	0	1,162
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>17,801</u>	<u>0</u>	<u>24,422</u>	<u>0</u>	<u>0</u>	<u>12,776</u>
<u>19,672</u>	<u>89</u>	<u>24,569</u>	<u>0</u>	<u>0</u>	<u>15,531</u>
1,116	0	0	0	0	62
0	0	0	0	0	0
<u>7,211</u>	<u>3,504</u>	<u>66</u>	<u>18</u>	<u>7</u>	<u>20,978</u>
<u>8,327</u>	<u>3,504</u>	<u>66</u>	<u>18</u>	<u>7</u>	<u>21,040</u>
<u>\$ 27,999</u>	<u>\$ 3,593</u>	<u>\$ 24,635</u>	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 36,571</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Byrne Drug Court	911 Emergency Calling System	Child Abuse Prevention Grant	Litter Control and Recycling
Assets:				
Cash and Cash Equivalents	\$ 2,367	\$ 1,325,884	\$ 250	\$ 4,051
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	196,612	0	0
Accounts	0	0	0	0
Intergovernmental	173,894	0	0	1,548
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	5,000
Prepaid Items	0	2,123	0	0
Total Assets	\$ 176,261	\$ 1,524,619	\$ 250	\$ 10,599
Liabilities:				
Accounts Payable	\$ 852	\$ 5,520	\$ 0	\$ 414
Accrued Wages and Benefits Payable	1,780	29,835	0	1,268
Intergovernmental Payable	1,290	21,962	0	921
Contracts Payable	0	1,231	0	0
Due to Other Funds	0	406	0	0
Interfund Payable	11,000	0	0	0
Deferred Revenue	157,094	89,157	0	1,548
Total Liabilities	172,016	148,111	0	4,151
Fund Balances:				
Reserved for Encumbrances	0	6,085	0	467
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	4,245	1,370,423	250	5,981
Total Fund Balances	4,245	1,376,508	250	6,448
Total Liabilities and Fund Balances	\$ 176,261	\$ 1,524,619	\$ 250	\$ 10,599

KNOX COUNTY, OHIO

Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant	Ditch Maintenance	Water Resource Study	Emergency Management Agency
\$ 140,178	\$ 632,209	\$ 97,171	\$ 8,858	\$ 500	\$ 150,916
0	0	0	0	0	0
0	0	0	0	0	0
13,354	0	0	0	0	0
0	0	181,830	0	0	126,470
0	0	0	0	0	0
0	0	0	8,172	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 153,532</u>	<u>\$ 632,209</u>	<u>\$ 279,001</u>	<u>\$ 17,030</u>	<u>\$ 500</u>	<u>\$ 277,386</u>
\$ 187	\$ 1,179	\$ 0	\$ 0	\$ 0	\$ 24,631
14,047	5,759	4,864	0	0	1,595
10,609	4,224	3,822	0	0	1,647
293	6,429	0	0	0	0
24,612	0	0	0	0	0
0	0	0	7,000	0	0
0	0	160,961	8,172	0	126,470
<u>49,748</u>	<u>17,591</u>	<u>169,647</u>	<u>15,172</u>	<u>0</u>	<u>154,343</u>
8,267	11,768	0	0	0	27,529
0	0	0	0	0	0
<u>95,517</u>	<u>602,850</u>	<u>109,354</u>	<u>1,858</u>	<u>500</u>	<u>95,514</u>
<u>103,784</u>	<u>614,618</u>	<u>109,354</u>	<u>1,858</u>	<u>500</u>	<u>123,043</u>
<u>\$ 153,532</u>	<u>\$ 632,209</u>	<u>\$ 279,001</u>	<u>\$ 17,030</u>	<u>\$ 500</u>	<u>\$ 277,386</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Family Resources	Home	Marriage License	Storm Water Management
Assets:				
Cash and Cash Equivalents	\$ 5,273	\$ 42,504	\$ 0	\$ 26,000
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	679	0
Intergovernmental	0	202,504	0	0
Interest	0	0	0	0
Special Assessments	0	0	0	0
Loans	0	0	0	0
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 5,273</u>	<u>\$ 245,008</u>	<u>\$ 679</u>	<u>\$ 26,000</u>
Liabilities:				
Accounts Payable	\$ 2,897	\$ 1,308	\$ 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	202,504	0	0
Total Liabilities	<u>2,897</u>	<u>203,812</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	2,273	0	0
Reserved for Loans Receivable	0	0	0	0
Unreserved, Undesignated in :				
Special Revenue Funds	2,376	38,923	679	26,000
Total Fund Balances	<u>2,376</u>	<u>41,196</u>	<u>679</u>	<u>26,000</u>
Total Liabilities and Fund Balances	<u>\$ 5,273</u>	<u>\$ 245,008</u>	<u>\$ 679</u>	<u>\$ 26,000</u>

KNOX COUNTY, OHIO

<u>Concealed Handgun License</u>	<u>WIA Programs</u>	<u>Flood Assistance</u>	<u>Citizen Corps Program Grant</u>	<u>Parenting Wisely</u>	<u>Commissary</u>
\$ 5,442	\$ 65,768	\$ 181,076	\$ 0	\$ 0	\$ 0
0	0	0	0	0	5,215
0	0	0	0	0	0
45	46,151	0	0	0	0
0	0	0	12,500	10,511	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 5,487</u>	<u>\$ 111,919</u>	<u>\$ 181,076</u>	<u>\$ 12,500</u>	<u>\$ 10,511</u>	<u>\$ 5,215</u>
\$ 140	\$ 40,090	\$ 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	50,000	0	0	0	0
0	0	0	12,500	10,511	0
<u>140</u>	<u>90,090</u>	<u>0</u>	<u>12,500</u>	<u>10,511</u>	<u>0</u>
0	13,625	0	0	0	0
0	0	0	0	0	0
<u>5,347</u>	<u>8,204</u>	<u>181,076</u>	<u>0</u>	<u>0</u>	<u>5,215</u>
<u>5,347</u>	<u>21,829</u>	<u>181,076</u>	<u>0</u>	<u>0</u>	<u>5,215</u>
<u>\$ 5,487</u>	<u>\$ 111,919</u>	<u>\$ 181,076</u>	<u>\$ 12,500</u>	<u>\$ 10,511</u>	<u>\$ 5,215</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	Law Enforcement	Drug Abuse Resistance Education	Drug Enforcement	Revolving Loan
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Cash and Cash Equivalents in Segregated Accounts	1,050	4,319	8,168	46,140
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	0	0	0	104,578
Interfund Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 1,050</u>	<u>\$ 4,319</u>	<u>\$ 8,168</u>	<u>\$ 150,718</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	0	0	0	104,578
Unreserved, Undesignated in :				
Special Revenue Funds	1,050	4,319	8,168	46,140
Total Fund Balances	<u>1,050</u>	<u>4,319</u>	<u>8,168</u>	<u>150,718</u>
Total Liabilities and Fund Balances	<u>\$ 1,050</u>	<u>\$ 4,319</u>	<u>\$ 8,168</u>	<u>\$ 150,718</u>

KNOX COUNTY, OHIO

<u>Calendar</u>	<u>Work Release</u>	<u>Law Enforcement Cadets</u>	<u>Web Check</u>	<u>Community Mental Health</u>	<u>Senior Citizens</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,439,180
159	838	1,806	2,231	0	0	69,926
0	0	0	0	654,921	850,690	1,702,223
0	0	0	0	0	0	105,718
0	0	0	0	32,219	44,598	856,074
0	0	0	0	0	0	48
0	0	0	0	0	0	8,172
0	0	0	0	0	0	104,578
0	0	0	0	0	0	16,000
0	0	0	0	0	0	2,123
<u>\$ 159</u>	<u>\$ 838</u>	<u>\$ 1,806</u>	<u>\$ 2,231</u>	<u>\$ 687,140</u>	<u>\$ 895,288</u>	<u>\$ 6,304,042</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,248
0	0	0	0	0	0	72,687
0	0	0	0	0	0	54,834
0	0	0	0	0	0	7,953
0	0	0	0	0	0	25,018
0	0	0	0	0	0	68,000
0	0	0	0	685,246	892,763	2,401,925
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>685,246</u>	<u>892,763</u>	<u>2,714,665</u>
0	0	0	0	0	0	77,743
0	0	0	0	0	0	104,578
<u>159</u>	<u>838</u>	<u>1,806</u>	<u>2,231</u>	<u>1,894</u>	<u>2,525</u>	<u>3,407,056</u>
<u>159</u>	<u>838</u>	<u>1,806</u>	<u>2,231</u>	<u>1,894</u>	<u>2,525</u>	<u>3,589,377</u>
<u>\$ 159</u>	<u>\$ 838</u>	<u>\$ 1,806</u>	<u>\$ 2,231</u>	<u>\$ 687,140</u>	<u>\$ 895,288</u>	<u>\$ 6,304,042</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	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	15,145	7,900	448	28,511
Licenses and Permits	108,477	0	0	0
Investment Earnings	0	0	0	369
Special Assessments	0	0	0	0
Fines and Forfeitures	995	0	0	0
All Other Revenue	553	75	0	1,344
Total Revenue	125,170	7,975	448	30,224
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	6,491	0	36,317
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	104,391	0	0	0
Human Services	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	104,391	6,491	0	36,317
Excess (Deficiency) of Revenues Over Expenditures	20,779	1,484	448	(6,093)
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	20,779	1,484	448	(6,093)
Fund Balances at Beginning of Year	169,046	2,879	3,825	48,514
Fund Balances End of Year	\$ 189,825	\$ 4,363	\$ 4,273	\$ 42,421

KNOX COUNTY, OHIO

Recorder's Equipment	Courts' Computer Research	Time Out Program	Court Security	Probate-Juvenile Special Project	Juvenile Court Special Probation
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
64,174	2,243	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	202	0
0	0	4,000	0	2,121	0
<u>64,174</u>	<u>2,243</u>	<u>4,000</u>	<u>0</u>	<u>2,323</u>	<u>0</u>
67,095	0	0	0	0	0
0	2,831	0	0	0	0
0	0	13,427	0	2,632	209
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>67,095</u>	<u>2,831</u>	<u>13,427</u>	<u>0</u>	<u>2,632</u>	<u>209</u>
(2,921)	(588)	(9,427)	0	(309)	(209)
0	0	7,173	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>7,173</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,921)	(588)	(2,254)	0	(309)	(209)
<u>37,502</u>	<u>4,325</u>	<u>3,115</u>	<u>98</u>	<u>27,552</u>	<u>209</u>
<u>\$ 34,581</u>	<u>\$ 3,737</u>	<u>\$ 861</u>	<u>\$ 98</u>	<u>\$ 27,243</u>	<u>\$ 0</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	After Hours Probation	Juvenile Court Social Workers	Automated Title Processing	Delinquent Tax Assessment Collection
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 114,423
Intergovernmental Revenues	6,005	80,393	0	0
Charges for Services	0	0	228,149	0
Licenses and Permits	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	5,544
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	72,016	316	2,298
Total Revenue	6,005	152,409	228,465	122,265
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	85,738
Judicial	0	0	169,579	0
Public Safety	6,790	127,101	0	0
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	6,790	127,101	169,579	85,738
Excess (Deficiency) of Revenues Over Expenditures	(785)	25,308	58,886	36,527
Other Financing Sources (Uses):				
Transfers In	0	252	0	0
Transfers Out	(252)	(1,051)	(100,000)	0
Total Other Financing Sources (Uses)	(252)	(799)	(100,000)	0
Net Change in Fund Balances	(1,037)	24,509	(41,114)	36,527
Fund Balances at Beginning of Year	842	101,858	137,271	192,123
Fund Balances End of Year	\$ (195)	\$ 126,367	\$ 96,157	\$ 228,650

KNOX COUNTY, OHIO

VOCA and SVAA Grant	Marine Patrol Grant	Drug Abuse Resistance Education Grant	Community Policing Grant	Common Pleas Prison Reduction Grant	Common Pleas Jail Diversion Grant
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
23,094	19,008	0	0	0	50,945
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	190
<u>23,094</u>	<u>19,008</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>51,135</u>
33,642	0	0	0	0	0
0	0	0	0	0	0
0	16,706	24,356	0	0	50,743
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>33,642</u>	<u>16,706</u>	<u>24,356</u>	<u>0</u>	<u>0</u>	<u>50,743</u>
(10,548)	2,302	(24,356)	0	0	392
9,249	0	0	0	0	0
0	0	0	0	0	0
<u>9,249</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,299)	2,302	(24,356)	0	0	392
9,626	1,202	24,422	18	7	20,648
<u>\$ 8,327</u>	<u>\$ 3,504</u>	<u>\$ 66</u>	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 21,040</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Byrne Drug Court	911 Emergency Calling System	Child Abuse Prevention Grant	Litter Control and Recycling
Revenues:				
Taxes	\$ 0	\$ 1,206,234	\$ 0	\$ 0
Intergovernmental Revenues	95,164	0	8,522	71,172
Charges for Services	0	0	0	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	0	617	0	4,820
Total Revenue	95,164	1,206,851	8,522	75,992
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	87,762	1,305,440	0	0
Public Works	0	0	0	0
Health	0	0	0	71,258
Human Services	0	0	17,045	0
Capital Outlay	0	0	0	0
Total Expenditures	87,762	1,305,440	17,045	71,258
Excess (Deficiency) of Revenues Over Expenditures	7,402	(98,589)	(8,523)	4,734
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	7,402	(98,589)	(8,523)	4,734
Fund Balances at Beginning of Year	(3,157)	1,475,097	8,773	1,714
Fund Balances End of Year	\$ 4,245	\$ 1,376,508	\$ 250	\$ 6,448

KNOX COUNTY, OHIO

Child Support Enforcement Agency	Real Estate Assessment	Youth Services Grant	Ditch Maintenance	Water Resource Study	Emergency Management Agency
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
850,076	0	235,732	0	0	430,304
156,608	456,100	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	7,467	0	0
0	0	0	0	0	0
880	0	0	0	0	0
<u>1,007,564</u>	<u>456,100</u>	<u>235,732</u>	<u>7,467</u>	<u>0</u>	<u>430,304</u>
0	313,322	0	0	0	0
0	0	0	0	0	0
0	0	215,405	0	0	461,712
0	0	0	0	0	0
0	0	0	0	0	0
934,421	0	0	0	0	0
0	0	0	3,855	0	0
<u>934,421</u>	<u>313,322</u>	<u>215,405</u>	<u>3,855</u>	<u>0</u>	<u>461,712</u>
73,143	142,778	20,327	3,612	0	(31,408)
0	0	0	0	0	30,000
<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>30,000</u>
73,143	142,778	20,327	3,612	0	(1,408)
30,641	471,840	89,027	(1,754)	500	124,451
<u>\$ 103,784</u>	<u>\$ 614,618</u>	<u>\$ 109,354</u>	<u>\$ 1,858</u>	<u>\$ 500</u>	<u>\$ 123,043</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Family Resources	Home	Marriage License	Help America Vote Act
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	30,778	87,250	0	0
Charges for Services	0	0	15,169	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	0	0	0	0
Total Revenue	30,778	87,250	15,169	0
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	7,908
Judicial	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	0	0	15,385	0
Human Services	38,317	45,545	0	0
Capital Outlay	0	0	0	0
Total Expenditures	38,317	45,545	15,385	7,908
Excess (Deficiency) of Revenues Over Expenditures	(7,539)	41,705	(216)	(7,908)
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	(7,539)	41,705	(216)	(7,908)
Fund Balances at Beginning of Year	9,915	(509)	895	7,908
Fund Balances End of Year	\$ 2,376	\$ 41,196	\$ 679	\$ 0

KNOX COUNTY, OHIO

Storm Water Management	Concealed Handgun License	WIA Programs	Flood Assistance	Parenting Wisely	Commissary
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	417,796	9,460	0
26,000	0	0	0	0	36,562
0	9,402	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	125,362	0	0	0
<u>26,000</u>	<u>9,402</u>	<u>125,362</u>	<u>417,796</u>	<u>9,460</u>	<u>36,562</u>
0	0	0	0	0	0
0	0	0	0	10,511	0
0	4,055	0	0	0	34,395
0	0	0	236,720	0	0
0	0	0	0	0	0
0	0	103,533	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>4,055</u>	<u>103,533</u>	<u>236,720</u>	<u>10,511</u>	<u>34,395</u>
26,000	5,347	21,829	181,076	(1,051)	2,167
0	0	0	0	1,051	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>1,051</u>	<u>0</u>
26,000	5,347	21,829	181,076	0	2,167
0	0	0	0	0	3,048
<u>\$ 26,000</u>	<u>\$ 5,347</u>	<u>\$ 21,829</u>	<u>\$ 181,076</u>	<u>\$ 0</u>	<u>\$ 5,215</u>

(Continued)

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Law Enforcement	Drug Abuse Resistance Education	Drug Enforcement	Revolving Loan
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Licenses and Permits	0	0	0	0
Investment Earnings	1,804	20	0	5,684
Special Assessments	0	0	0	0
Fines and Forfeitures	4,443	7,204	0	0
All Other Revenue	0	0	0	0
Total Revenue	6,247	7,224	0	5,684
Expenditures:				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	5,778	7,800	0	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	4,864
Capital Outlay	0	0	0	0
Total Expenditures	5,778	7,800	0	4,864
Excess (Deficiency) of Revenues Over Expenditures	469	(576)	0	820
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	469	(576)	0	820
Fund Balances at Beginning of Year	581	4,895	8,168	149,898
Fund Balances End of Year	\$ 1,050	\$ 4,319	\$ 8,168	\$ 150,718

KNOX COUNTY, OHIO

Calendar	Work Release	Law Enforcement Cadets	Web Check	Community Mental Health	Senior Citizens	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 608,682	\$ 780,643	\$ 2,709,982
0	0	0	0	69,374	94,154	2,579,227
0	21,573	0	9,836	0	0	1,068,418
0	0	0	0	0	0	117,879
1	0	0	0	0	0	7,878
0	0	0	0	0	0	13,011
0	0	984	0	0	0	13,828
0	0	0	0	1,894	2,525	219,011
<u>1</u>	<u>21,573</u>	<u>984</u>	<u>9,836</u>	<u>679,950</u>	<u>877,322</u>	<u>6,729,234</u>
0	0	0	0	0	1,010,315	1,518,020
0	0	0	0	0	0	225,729
0	21,799	1,429	7,605	0	0	2,395,144
0	0	0	0	0	0	236,720
0	0	0	0	0	0	191,034
0	0	0	0	678,056	0	1,821,781
0	0	0	0	0	0	3,855
<u>0</u>	<u>21,799</u>	<u>1,429</u>	<u>7,605</u>	<u>678,056</u>	<u>1,010,315</u>	<u>6,392,283</u>
1	(226)	(445)	2,231	1,894	(132,993)	336,951
0	0	0	0	0	0	47,725
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(101,303)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(53,578)</u>
1	(226)	(445)	2,231	1,894	(132,993)	283,373
158	1,064	2,251	0	0	135,518	3,306,004
<u>\$ 159</u>	<u>\$ 838</u>	<u>\$ 1,806</u>	<u>\$ 2,231</u>	<u>\$ 1,894</u>	<u>\$ 2,525</u>	<u>\$ 3,589,377</u>

KNOX COUNTY, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2004***

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 630,326	\$ 180	\$ 630,506
Receivables:			
Due from Other Funds	<u>127,476</u>	<u>0</u>	<u>127,476</u>
Total Assets	<u>\$ 757,802</u>	<u>\$ 180</u>	<u>\$ 757,982</u>
Liabilities:			
Matured Bonds and Interest Payable	<u>\$ 48,379</u>	<u>\$ 0</u>	<u>\$ 48,379</u>
Total Liabilities	<u>48,379</u>	<u>0</u>	<u>48,379</u>
Fund Balances:			
Reserved for Debt Service	<u>709,423</u>	<u>180</u>	<u>709,603</u>
Total Fund Balances	<u>709,423</u>	<u>180</u>	<u>709,603</u>
Total Liabilities and Fund Balances	<u>\$ 757,802</u>	<u>\$ 180</u>	<u>\$ 757,982</u>

KNOX COUNTY, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended December 31, 2004***

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues:			
Special Assessments	\$ 201,221	\$ 0	\$ 201,221
All Other Revenue	<u>256,265</u>	<u>0</u>	<u>256,265</u>
Total Revenue	<u>457,486</u>	<u>0</u>	<u>457,486</u>
Expenditures:			
Debt Service:			
Principal Retirement	715,000	0	715,000
Interest and Fiscal Charges	<u>587,179</u>	<u>0</u>	<u>587,179</u>
Total Expenditures	<u>1,302,179</u>	<u>0</u>	<u>1,302,179</u>
Excess (Deficiency) of Revenues Over Expenditures	(844,693)	0	(844,693)
Other Financing Sources (Uses):			
Transfers In	<u>900,067</u>	<u>0</u>	<u>900,067</u>
Total Other Financing Sources (Uses)	<u>900,067</u>	<u>0</u>	<u>900,067</u>
Net Change in Fund Balances	55,374	0	55,374
Fund Balances at Beginning of Year	<u>654,049</u>	<u>180</u>	<u>654,229</u>
Fund Balances End of Year	<u>\$ 709,423</u>	<u>\$ 180</u>	<u>\$ 709,603</u>

KNOX COUNTY, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004**

	Permanent Improvement	Dog and Kennel Equipment	Sewer Construction	JFS Training Center
Assets:				
Cash and Cash Equivalents	\$ 1,200,886	\$ 4,423	\$ 51,471	\$ 0
Cash and Cash Equivalents with Fiscal Agent	2,577	0	0	0
Receivables:				
Intergovernmental	0	0	0	0
Interest	0	0	128	3
Total Assets	<u>\$ 1,203,463</u>	<u>\$ 4,423</u>	<u>\$ 51,599</u>	<u>\$ 3</u>
Liabilities:				
Contracts Payable	1,596	0	0	0
Due to Other Funds	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>1,596</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	0	0	48,149	0
Unreserved, Undesignated in :				
Capital Projects Funds	<u>1,201,867</u>	<u>4,423</u>	<u>3,450</u>	<u>3</u>
Total Fund Balances	<u>1,201,867</u>	<u>4,423</u>	<u>51,599</u>	<u>3</u>
Total Liabilities and Fund Balances	<u>\$ 1,203,463</u>	<u>\$ 4,423</u>	<u>\$ 51,599</u>	<u>\$ 3</u>

KNOX COUNTY, OHIO

Children's Resource Center	Community Development Block Grant	Fredericktown Sewer Project	Total Nonmajor Capital Projects Funds
\$ 0	\$ 39,705	\$ 6,794	\$ 1,303,279
0	0	0	2,577
0	576,866	0	576,866
83	2	0	216
<u>\$ 83</u>	<u>\$ 616,573</u>	<u>\$ 6,794</u>	<u>\$ 1,882,938</u>
0	0	0	1,596
0	132	0	132
0	576,866	0	576,866
0	576,998	0	578,594
0	10,930	0	59,079
83	28,645	6,794	1,245,265
83	39,575	6,794	1,304,344
<u>\$ 83</u>	<u>\$ 616,573</u>	<u>\$ 6,794</u>	<u>\$ 1,882,938</u>

KNOX COUNTY, OHIO**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

	Permanent Improvement	Dog and Kennel Equipment	Correctional Facility Construction	Issue II	Sewer Construction
Revenues:					
Intergovernmental Revenues	\$ 340,000	\$ 0	\$ 0	\$ 500,180	\$ 0
Investment Earnings	4	0	5,481	0	450
All Other Revenue	0	1,240	0	0	0
Total Revenue	<u>340,004</u>	<u>1,240</u>	<u>5,481</u>	<u>500,180</u>	<u>450</u>
Expenditures:					
Capital Outlay	<u>486,741</u>	<u>0</u>	<u>373,911</u>	<u>532,884</u>	<u>26,729</u>
Total Expenditures	<u>486,741</u>	<u>0</u>	<u>373,911</u>	<u>532,884</u>	<u>26,729</u>
Excess (Deficiency) of Revenues Over Expenditures	(146,737)	1,240	(368,430)	(32,704)	(26,279)
Other Financing Sources (Uses):					
Ohio Public Works Commission Loan	0	0	0	32,704	0
Transfers Out	<u>0</u>	<u>0</u>	<u>(429,033)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(429,033)</u>	<u>32,704</u>	<u>0</u>
Net Change in Fund Balances	(146,737)	1,240	(797,463)	0	(26,279)
Fund Balances at Beginning of Year	<u>1,348,604</u>	<u>3,183</u>	<u>797,463</u>	<u>0</u>	<u>77,878</u>
Fund Balances End of Year	<u>\$ 1,201,867</u>	<u>\$ 4,423</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,599</u>

KNOX COUNTY, OHIO

JFS Training Center	Children's Resource Center	Board of Health Center	Community Development Block Grant	Fredericktown Sewer Project	Engineering Projects	Total Nonmajor Capital Project Funds
\$ 0	\$ 0	\$ 0	\$ 323,777	\$ 0	\$ 383,237	\$ 1,547,194
57	636	0	23	0	0	6,651
0	0	39,787	0	0	0	41,027
57	636	39,787	323,800	0	383,237	1,594,872
6,830	93,741	0	185,712	0	383,237	2,089,785
6,830	93,741	0	185,712	0	383,237	2,089,785
(6,773)	(93,105)	39,787	138,088	0	0	(494,913)
0	0	0	0	0	0	32,704
(1,358)	(38,340)	0	0	0	0	(468,731)
(1,358)	(38,340)	0	0	0	0	(436,027)
(8,131)	(131,445)	39,787	138,088	0	0	(930,940)
8,134	131,528	(39,787)	(98,513)	6,794	0	2,235,284
\$ 3	\$ 83	\$ 0	\$ 39,575	\$ 6,794	\$ 0	\$ 1,304,344

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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 7,007,200	\$ 7,007,200	\$ 7,037,130	\$ 29,930
Intergovernmental Revenues	1,513,799	1,513,799	1,508,919	(4,880)
Charges for Services	1,972,800	1,972,800	1,948,180	(24,620)
Licenses and Permits	5,200	5,200	5,919	719
Investment Earnings	400,000	400,000	347,844	(52,156)
Fines and Forfeitures	42,500	42,500	54,294	11,794
All Other Revenues	674,930	674,930	723,613	48,683
Total Revenues	<u>11,616,429</u>	<u>11,616,429</u>	<u>11,625,899</u>	<u>9,470</u>
Expenditures:				
General Government - Legislative and Executive:				
Commissioners:				
Personal Services	266,837	269,111	228,179	40,932
Materials and Supplies	175,080	175,405	130,047	45,358
Contractual Services	164,843	183,884	111,823	72,061
Other Expenditures	434,800	379,450	338,025	41,425
Total Commissioners	<u>1,041,560</u>	<u>1,007,850</u>	<u>808,074</u>	<u>199,776</u>
County Microfilming::				
Personal Services	22,525	22,525	22,264	261
Other Expenditures	4,750	4,750	3,220	1,530
Total County Microfilming	<u>27,275</u>	<u>27,275</u>	<u>25,484</u>	<u>1,791</u>
Safe/Loss:				
Personal Services	44,595	45,306	43,305	2,001
Materials and Supplies	1,900	2,650	2,499	151
Contractual Services	950	950	476	474
Other Expenditures	950	971	756	215
Total Safe/Loss	<u>48,395</u>	<u>49,877</u>	<u>47,036</u>	<u>2,841</u>
Regional Planning Commission:				
Personal Services	56,037	56,037	56,037	0
Total Regional Planning Commission	<u>56,037</u>	<u>56,037</u>	<u>56,037</u>	<u>0</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, 2004***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Auditor:				
Personal Services	175,036	175,764	173,020	2,744
Materials and Supplies	14,335	15,364	13,055	2,309
Contractual Services	34,550	62,047	39,006	23,041
Other Expenditures	3,325	3,175	3,120	55
Total Auditor	<u>227,246</u>	<u>256,350</u>	<u>228,201</u>	<u>28,149</u>
Assessing Personal Property:				
Personal Services	<u>0</u>	<u>243</u>	<u>243</u>	<u>0</u>
Total Assessing Personal Property	0	243	243	0
Treasurer:				
Personal Services	149,909	148,330	148,330	0
Materials and Supplies	5,950	10,298	8,718	1,580
Contractual Services	5,642	11,329	11,329	0
Other Expenditures	<u>2,375</u>	<u>3,048</u>	<u>3,048</u>	<u>0</u>
Total Treasurer	163,876	173,005	171,425	1,580
Prosecuting Attorney:				
Personal Services	306,733	306,733	305,509	1,224
Materials and Supplies	2,850	2,850	2,629	221
Contractual Services	53,516	62,430	60,869	1,561
Other Expenditures	<u>7,500</u>	<u>5,900</u>	<u>5,778</u>	<u>122</u>
Total Prosecuting Attorney	370,599	377,913	374,785	3,128
Bureau of Inspection:				
Contractual Services	<u>88,700</u>	<u>90,385</u>	<u>89,685</u>	<u>700</u>
Total Bureau of Inspection	88,700	90,385	89,685	700
Data Processing Board:				
Contractual Services	<u>94,295</u>	<u>99,026</u>	<u>96,985</u>	<u>2,041</u>
Total Data Processing Board	94,295	99,026	96,985	2,041

(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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Board of Elections:				
Personal Services	213,289	230,139	224,951	5,188
Materials and Supplies	10,550	15,550	12,874	2,676
Contractual Services	18,500	27,000	25,539	1,461
Other Expenditures	5,500	5,500	5,353	147
Total Board of Elections	247,839	278,189	268,717	9,472
Maintenance and Operation:				
Personal Services	225,800	225,910	167,788	58,122
Materials and Supplies	65,000	68,031	35,966	32,065
Contractual Services	758,898	853,337	575,173	278,164
Other Expenditures	100,025	100,615	11,205	89,410
Total Maintenance and Operation	1,149,723	1,247,893	790,132	457,761
Corporate Center - Maintenance and Operation:				
Personal Services	82,800	84,775	84,403	372
Materials and Supplies	12,373	12,573	11,058	1,515
Contractual Services	30,850	30,856	29,922	934
Other Expenditures	950	950	318	632
Total Corporate Center - Maintenance and Operation	126,973	129,154	125,701	3,453
Air Navigation and Facilities:				
Personal Services	79,800	79,800	67,679	12,121
Total Air Navigation and Facilities Personal Services	79,800	79,800	67,679	12,121
Recorder:				
Personal Services	148,378	148,440	146,728	1,712
Materials and Supplies	6,650	6,650	6,612	38
Contractual Services	11,750	11,750	9,602	2,148
Other Expenditures	1,900	1,852	1,641	211
Total Recorder	168,678	168,692	164,583	4,109

(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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Insurance, Pension and Taxes:				
Contractual Services	<u>1,457,000</u>	<u>1,591,187</u>	<u>1,348,828</u>	<u>242,359</u>
Total Insurance, Pension and Taxes	<u>1,457,000</u>	<u>1,591,187</u>	<u>1,348,828</u>	<u>242,359</u>
Agriculture:				
Contractual Services	<u>471,573</u>	<u>475,821</u>	<u>459,821</u>	<u>16,000</u>
Total Agriculture	<u>471,573</u>	<u>475,821</u>	<u>459,821</u>	<u>16,000</u>
Total General Government - Legislative and Executive	<u>5,819,569</u>	<u>6,108,697</u>	<u>5,123,416</u>	<u>985,281</u>
General Government - Judicial:				
Court of Appeals:				
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>9,680</u>	<u>320</u>
Total Court of Appeals	<u>10,000</u>	<u>10,000</u>	<u>9,680</u>	<u>320</u>
Common Pleas Court:				
Personal Services	271,760	310,696	308,283	2,413
Materials and Supplies	8,550	7,550	7,333	217
Contractual Services	13,200	12,322	7,214	5,108
Other Expenditures	<u>13,900</u>	<u>13,900</u>	<u>13,177</u>	<u>723</u>
Total Common Pleas Court	<u>307,410</u>	<u>344,468</u>	<u>336,007</u>	<u>8,461</u>
Jury Commission:				
Personal Services	1,500	1,500	1,500	0
Contractual Services	<u>500</u>	<u>500</u>	<u>22</u>	<u>478</u>
Total Jury Commission	<u>2,000</u>	<u>2,000</u>	<u>1,522</u>	<u>478</u>
Juvenile Court:				
Personal Services	50	0	0	0
Materials and Supplies	4,500	3,825	3,822	3
Contractual Services	6,050	6,066	5,638	428
Other Expenditures	<u>8,500</u>	<u>6,150</u>	<u>6,138</u>	<u>12</u>
Total Juvenile Court	<u>19,100</u>	<u>16,041</u>	<u>15,598</u>	<u>443</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, 2004***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Juvenile Probation:				
Personal Services	300,750	291,082	289,801	1,281
Materials and Supplies	10,000	5,300	5,279	21
Contractual Services	216,500	256,093	255,399	694
Other Expenditures	25,000	25,000	23,620	1,380
Total Juvenile Probation	<u>552,250</u>	<u>577,475</u>	<u>574,099</u>	<u>3,376</u>
Probate Court:				
Personal Services	116,585	116,585	113,465	3,120
Materials and Supplies	5,000	4,600	4,576	24
Contractual Services	11,316	14,197	14,068	129
Other Expenditures	2,500	2,900	2,849	51
Total Probate Court	<u>135,401</u>	<u>138,282</u>	<u>134,958</u>	<u>3,324</u>
Clerk of Courts:				
Personal Services	251,899	259,841	257,506	2,335
Materials and Supplies	9,500	9,304	7,693	1,611
Contractual Services	10,365	11,863	10,845	1,018
Other Expenditures	2,165	1,700	397	1,303
Total Clerk of Courts	<u>273,929</u>	<u>282,708</u>	<u>276,441</u>	<u>6,267</u>
Municipal Court:				
Personal Services	78,250	78,900	78,337	563
Contractual Services	12,955	12,305	11,558	747
Total Municipal Court	<u>91,205</u>	<u>91,205</u>	<u>89,895</u>	<u>1,310</u>
Law Library:				
Personal Services	5,900	5,900	971	4,929
Other Expenditures	1,000	1,000	0	1,000
Total Law Library:	<u>6,900</u>	<u>6,900</u>	<u>971</u>	<u>5,929</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Public Defender:				
Personal Services	269,303	267,652	264,391	3,261
Materials and Supplies	1,900	1,900	1,360	540
Contractual Services	5,595	16,657	14,433	2,224
Other Expenditures	95	95	0	95
Total Public Defender	<u>276,893</u>	<u>286,304</u>	<u>280,184</u>	<u>6,120</u>
Total General Government - Judicial	<u>1,675,088</u>	<u>1,755,383</u>	<u>1,719,355</u>	<u>36,028</u>
Public Safety:				
Sheriff:				
Personal Services	2,423,693	2,661,740	2,659,033	2,707
Contractual Services	1,034,557	508,052	483,752	24,300
Other Expenditures	115,000	115,000	107,772	7,228
Total Sheriff	<u>3,573,250</u>	<u>3,284,792</u>	<u>3,250,557</u>	<u>34,235</u>
Coroner:				
Personal Services	30,494	30,494	29,527	967
Materials and Supplies	100	100	0	100
Contractual Services	30,100	30,100	27,923	2,177
Other Expenditures	950	950	325	625
Total Coroner	<u>61,644</u>	<u>61,644</u>	<u>57,775</u>	<u>3,869</u>
Total Public Safety	<u>3,634,894</u>	<u>3,346,436</u>	<u>3,308,332</u>	<u>38,104</u>
Public Works				
Map Department:				
Personal Services	88,300	92,223	92,167	56
Materials and Supplies	3,325	2,273	2,187	86
Other Expenditures	100	1,075	1,075	0
Total Map Department	<u>91,725</u>	<u>95,571</u>	<u>95,429</u>	<u>142</u>
Buildings and Grounds:				
Contractual Services	<u>300,404</u>	<u>189,157</u>	<u>20,660</u>	<u>168,497</u>
Total Buildings and Grounds	<u>300,404</u>	<u>189,157</u>	<u>20,660</u>	<u>168,497</u>
Total Public Works	<u>392,129</u>	<u>284,728</u>	<u>116,089</u>	<u>168,639</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Health:				
Vital Statistics:				
Other Expenditures	<u>1,200</u>	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Total Vital Statistics	<u>1,200</u>	<u>1,200</u>	<u>0</u>	<u>1,200</u>
Other Health:				
Other Expenditures	<u>89,000</u>	<u>209,000</u>	<u>175,024</u>	<u>33,976</u>
Total Other Health	<u>89,000</u>	<u>209,000</u>	<u>175,024</u>	<u>33,976</u>
Humane Society:				
Personal Services	8,975	9,110	7,475	1,635
Materials and Supplies	950	950	0	950
Other Expenditures	<u>6,650</u>	<u>4,410</u>	<u>1,808</u>	<u>2,602</u>
Total Humane Society	<u>16,575</u>	<u>14,470</u>	<u>9,283</u>	<u>5,187</u>
Animal Control Officer:				
Personal Services	37,430	39,805	37,553	2,252
Other Expenditures	<u>2,280</u>	<u>2,280</u>	<u>1,897</u>	<u>383</u>
Total Animal Control Officer	<u>39,710</u>	<u>42,085</u>	<u>39,450</u>	<u>2,635</u>
Total Health	<u>146,485</u>	<u>266,755</u>	<u>223,757</u>	<u>42,998</u>
Human Services:				
Children's Home:				
Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Total Children's Home	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Soldiers Relief:				
Personal Services	36,000	29,686	26,137	3,549
Materials and Supplies	7,000	10,349	10,239	110
Contractual Services	<u>266,269</u>	<u>248,109</u>	<u>245,899</u>	<u>2,210</u>
Total Soldiers Relief	<u>309,269</u>	<u>288,144</u>	<u>282,275</u>	<u>5,869</u>
Veterans Relief:				
Personal Services	138,150	176,563	173,801	2,762
Contractual Services	27,100	15,816	15,816	0
Other Expenditures	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Veterans Relief	<u>166,250</u>	<u>192,379</u>	<u>189,617</u>	<u>2,762</u>
Total Human Services	<u>575,519</u>	<u>580,523</u>	<u>571,892</u>	<u>8,631</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Conservation and Recreation:				
Bike Path:				
Contractual Services	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
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	<u>585,812</u>	<u>622,042</u>	<u>383,725</u>	<u>238,317</u>
Total Expenditures	<u>12,838,496</u>	<u>12,973,564</u>	<u>11,446,566</u>	<u>1,526,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,222,067)	(1,357,135)	179,333	1,536,468
Other Financing Sources (Uses):				
Other Financing Uses	(238,221)	(265,409)	(195,830)	69,579
Transfers In	100,000	100,000	100,000	0
Transfers Out	(270,000)	(782,752)	(246,422)	536,330
Advances In	0	0	5,000	5,000
Advances Out	<u>0</u>	<u>(365,000)</u>	<u>0</u>	<u>365,000</u>
Total Other Financing Sources (Uses)	<u>(408,221)</u>	<u>(1,313,161)</u>	<u>(337,252)</u>	<u>975,909</u>
Net Change in Fund Balance	(1,630,288)	(2,670,296)	(157,919)	2,512,377
Fund Balance at Beginning of Year	2,610,217	2,610,217	2,610,217	0
Prior Year Encumbrances	430,706	430,706	430,706	0
Fund Balance at End of Year	<u>\$ 1,410,635</u>	<u>\$ 370,627</u>	<u>\$ 2,883,004</u>	<u>\$ 2,512,377</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, 2004***

PUBLIC ASSISTANCE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,300,000	\$ 6,320,100	\$ 6,498,470	\$ 178,370
All Other Revenues	750,000	750,000	290,590	(459,410)
Total Revenues	<u>7,050,000</u>	<u>7,070,100</u>	<u>6,789,060</u>	<u>(281,040)</u>
Expenditures:				
Human Services:				
Personal Services	2,813,873	2,856,832	2,110,837	745,995
Materials and Supplies	203,870	211,911	84,404	127,507
Contractual Services	3,414,915	3,642,073	1,987,301	1,654,772
Other Expenditures	1,102,645	1,065,751	341,527	724,224
Capital Outlay	120,173	121,781	42,279	79,502
Total Expenditures	<u>7,655,476</u>	<u>7,898,348</u>	<u>4,566,348</u>	<u>3,332,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(605,476)	(828,248)	2,222,712	3,050,960
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	(350,000)	(350,000)	(303,860)	46,140
Advances Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(200,000)</u>	<u>(153,860)</u>	<u>46,140</u>
Net Change in Fund Balance	(755,476)	(1,028,248)	2,068,852	3,097,100
Fund Balance at Beginning of Year	723,812	723,812	723,812	0
Prior Year Encumbrances	304,438	304,438	304,438	0
Fund Balance at End of Year	<u>\$ 272,774</u>	<u>\$ 2</u>	<u>\$ 3,097,102</u>	<u>\$ 3,097,100</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, 2004****MOTOR VEHICLE AND GASOLINE TAX FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 4,230,000	\$ 4,318,856	\$ 4,468,944	\$ 150,088
Charges for Services	3,000	3,000	7,895	4,895
Investment Earnings	3,500	3,500	5,713	2,213
Fines and Forfeitures	14,000	14,000	10,989	(3,011)
All Other Revenues	16,500	16,500	33,172	16,672
Total Revenues	<u>4,267,000</u>	<u>4,355,856</u>	<u>4,526,713</u>	<u>170,857</u>
Expenditures:				
Public Works:				
Personal Services	1,956,529	1,857,440	1,792,118	65,322
Materials and Supplies	538,500	1,044,327	1,015,047	29,280
Contractual Services	1,282,351	1,425,939	1,403,963	21,976
Other Expenditures	50,500	45,363	42,848	2,515
Intergovernmental	60,120	496,726	61,282	435,444
Capital Outlay	337,000	208,662	208,426	236
Total Expenditures	<u>4,225,000</u>	<u>5,078,457</u>	<u>4,523,684</u>	<u>554,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,000	(722,601)	3,029	725,630
Other Financing Sources (Uses):				
Transfers In	0	176,968	0	(176,968)
Advances In	0	365,000	0	(365,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>541,968</u>	<u>0</u>	<u>(541,968)</u>
Net Change in Fund Balance	42,000	(180,633)	3,029	183,662
Fund Balance at Beginning of Year	146,882	146,882	146,882	0
Prior Year Encumbrances	57,755	57,755	57,755	0
Fund Balance at End of Year	<u>\$ 246,637</u>	<u>\$ 24,004</u>	<u>\$ 207,666</u>	<u>\$ 183,662</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, 2004****CHILDREN SERVICES BOARD FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,108,700	\$ 1,108,700	\$ 906,055	\$ (202,645)
Intergovernmental Revenues	1,460,000	1,257,362	1,024,261	(233,101)
Charges for Services	85,100	85,100	35,398	(49,702)
All Other Revenues	<u>256,000</u>	<u>256,000</u>	<u>3,789</u>	<u>(252,211)</u>
Total Revenues	<u>2,909,800</u>	<u>2,707,162</u>	<u>1,969,503</u>	<u>(737,659)</u>
Expenditures:				
Human Services:				
Personal Services	903,000	903,000	789,096	113,904
Materials and Supplies	27,500	6,800	2,588	4,212
Contractual Services	1,011,000	862,011	458,143	403,868
Other Expenditures	610,000	804,100	744,753	59,347
Capital Outlay	<u>35,000</u>	<u>24,000</u>	<u>23,305</u>	<u>695</u>
Total Expenditures	<u>2,586,500</u>	<u>2,599,911</u>	<u>2,017,885</u>	<u>582,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	323,300	107,251	(48,382)	(155,633)
Other Financing Sources (Uses):				
Other Financing Sources	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>(2,500)</u>
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>(2,500)</u>
Net Change in Fund Balance	325,800	109,751	(48,382)	(158,133)
Fund Balance at Beginning of Year	2,448,347	2,448,347	2,448,347	0
Prior Year Encumbrances	<u>13,411</u>	<u>13,411</u>	<u>13,411</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,787,558</u>	<u>\$ 2,571,509</u>	<u>\$ 2,413,376</u>	<u>\$ (158,133)</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, 2004****MENTAL RETARDATION FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,431,300	\$ 1,431,300	\$ 1,311,483	\$ (119,817)
Intergovernmental Revenues	1,791,348	1,791,348	1,915,745	124,397
All Other Revenues	192,883	566,899	255,414	(311,485)
Total Revenues	<u>3,415,531</u>	<u>3,789,547</u>	<u>3,482,642</u>	<u>(306,905)</u>
Expenditures:				
Human Services:				
Personal Services	3,237,000	3,245,384	2,670,292	575,092
Materials and Supplies	308,446	301,046	266,253	34,793
Contractual Services	1,332,262	1,367,719	594,685	773,034
Other Expenditures	1,500	1,500	0	1,500
Capital Outlay	40,768	40,768	36,701	4,067
Total Expenditures	<u>4,919,976</u>	<u>4,956,417</u>	<u>3,567,931</u>	<u>1,388,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,504,445)	(1,166,870)	(85,289)	1,081,581
Fund Balance at Beginning of Year	1,615,486	1,615,486	1,615,486	0
Prior Year Encumbrances	38,600	38,600	38,600	0
Fund Balance at End of Year	<u>\$ 149,641</u>	<u>\$ 487,216</u>	<u>\$ 1,568,797</u>	<u>\$ 1,081,581</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
DOG AND KENNEL FUND				
Revenues:				
Charges for Services	20,000	20,000	15,125	(4,875)
Licenses and Permits	109,500	109,500	108,951	(549)
Fines and Forfeitures	1,500	1,500	1,065	(435)
All Other Revenues	800	800	613	(187)
Total Revenues	<u>131,800</u>	<u>131,800</u>	<u>125,754</u>	<u>(6,046)</u>
Expenditures:				
Health:				
Personal Services	98,650	98,650	82,020	16,630
Materials and Supplies	6,175	6,425	2,696	3,729
Contractual Services	11,900	14,938	5,857	9,081
Other Expenditures	19,100	17,113	12,327	4,786
Capital Outlay	35,000	35,000	1,155	33,845
Total Expenditures	<u>170,825</u>	<u>172,126</u>	<u>104,055</u>	<u>68,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,025)	(40,326)	21,699	62,025
Fund Balance at Beginning of Year	170,702	170,702	170,702	0
Prior Year Encumbrances	1,301	1,301	1,301	0
Fund Balance at End of Year	<u>\$ 132,978</u>	<u>\$ 131,677</u>	<u>\$ 193,702</u>	<u>\$ 62,025</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
INDIGENT GUARDIANSHIP FUND				
Revenues:				
Charges for Services	8,300	8,300	7,610	(690)
All Other Revenues	200	200	75	(125)
Total Revenues	8,500	8,500	7,685	(815)
Expenditures:				
General Government - Judicial:				
Contractual Services	8,500	8,500	5,040	3,460
Other Expenditures	3,000	3,000	0	3,000
Total Expenditures	11,500	11,500	5,040	6,460
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(3,000)	2,645	5,645
Fund Balance at Beginning of Year	3,048	3,048	3,048	0
Fund Balance at End of Year	\$ 48	\$ 48	\$ 5,693	\$ 5,645

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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 375	\$ 375	\$ 425	\$ 50
Total Revenues	<u>375</u>	<u>375</u>	<u>425</u>	<u>50</u>
Expenditures:				
General Government - Judicial:				
Other Expenditures	<u>4,100</u>	<u>4,100</u>	<u>0</u>	<u>4,100</u>
Total Expenditures	<u>4,100</u>	<u>4,100</u>	<u>0</u>	<u>4,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,725)	(3,725)	425	4,150
Fund Balance at Beginning of Year	<u>3,806</u>	<u>3,806</u>	<u>3,806</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 4,231</u>	<u>\$ 4,150</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 30,000	\$ 30,000	\$ 28,577	\$ (1,423)
Investment Earnings	500	500	371	(129)
All Other Revenues	0	0	1,344	1,344
Total Revenues	<u>30,500</u>	<u>30,500</u>	<u>30,292</u>	<u>(208)</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	2,000	2,000	0	2,000
Contractual Services	34,800	34,800	19,139	15,661
Other Expenditures	7,000	7,000	4,065	2,935
Capital Outlay	14,000	14,000	12,699	1,301
Total Expenditures	<u>57,800</u>	<u>57,800</u>	<u>35,903</u>	<u>21,897</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,300)	(27,300)	(5,611)	21,689
Fund Balance at Beginning of Year	<u>46,258</u>	<u>46,258</u>	<u>46,258</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,958</u>	<u>\$ 18,958</u>	<u>\$ 40,647</u>	<u>\$ 21,689</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, 2004**

RECORDER'S EQUIPMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 82,000	\$ 82,000	\$ 64,210	\$ (17,790)
Total Revenues	<u>82,000</u>	<u>82,000</u>	<u>64,210</u>	<u>(17,790)</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	66,000	75,006	72,533	2,473
Other Expenditures	5,000	1,000	193	807
Capital Outlay	<u>40,000</u>	<u>40,000</u>	<u>0</u>	<u>40,000</u>
Total Expenditures	<u>111,000</u>	<u>116,006</u>	<u>72,726</u>	<u>43,280</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,000)	(34,006)	(8,516)	25,490
Fund Balance at Beginning of Year	32,912	32,912	32,912	0
Prior Year Encumbrances	<u>5,006</u>	<u>5,006</u>	<u>5,006</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,918</u>	<u>\$ 3,912</u>	<u>\$ 29,402</u>	<u>\$ 25,490</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 3,000	\$ 3,000	\$ 2,241	\$ (759)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>2,241</u>	<u>(759)</u>
Expenditures:				
General Government - Judicial:				
Contractual Services	3,000	3,000	831	2,169
Other Expenditures	4,000	4,000	2,000	2,000
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>2,831</u>	<u>4,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	(590)	3,410
Fund Balance at Beginning of Year	<u>4,151</u>	<u>4,151</u>	<u>4,151</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 151</u>	<u>\$ 151</u>	<u>\$ 3,561</u>	<u>\$ 3,410</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 8,000	\$ 14,000	\$ 0	\$ (14,000)
All Other Revenues	2,000	2,000	4,000	2,000
Total Revenues	<u>10,000</u>	<u>16,000</u>	<u>4,000</u>	<u>(12,000)</u>
Expenditures:				
Public Safety:				
Personal Services	9,584	15,584	13,445	2,139
Other Expenditures	416	416	0	416
Total Expenditures	<u>10,000</u>	<u>16,000</u>	<u>13,445</u>	<u>2,555</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(9,445)	(9,445)
Other Financing Sources (Uses):				
Transfers In	0	0	7,173	7,173
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>7,173</u>	<u>7,173</u>
Net Change in Fund Balance	0	0	(2,272)	(2,272)
Fund Balance at Beginning of Year	3,727	3,727	3,727	0
Fund Balance at End of Year	<u>\$ 3,727</u>	<u>\$ 3,727</u>	<u>\$ 1,455</u>	<u>\$ (2,272)</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Safety:				
Other Expenditures	<u> 98</u>	<u> 98</u>	<u> 0</u>	<u> 98</u>
Total Expenditures	<u> 98</u>	<u> 98</u>	<u> 0</u>	<u> 98</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98)	(98)	0	98
Fund Balance at Beginning of Year	<u> 98</u>	<u> 98</u>	<u> 98</u>	<u> 0</u>
Fund Balance at End of Year	<u><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, 2004**

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	\$ 5,000	\$ 6,300	\$ 262	\$ (6,038)
All Other Revenues	0	0	2,121	2,121
Total Revenues	<u>5,000</u>	<u>6,300</u>	<u>2,383</u>	<u>(3,917)</u>
Expenditures:				
Public Safety:				
Personal Services	9,000	9,000	0	9,000
Contractual Services	4,000	5,300	905	4,395
Other Expenditures	7,000	7,000	1,996	5,004
Capital Outlay	4,000	4,000	231	3,769
Total Expenditures	<u>24,000</u>	<u>25,300</u>	<u>3,132</u>	<u>22,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,000)	(19,000)	(749)	18,251
Fund Balance at Beginning of Year	<u>27,992</u>	<u>27,992</u>	<u>27,992</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,992</u>	<u>\$ 8,992</u>	<u>\$ 27,243</u>	<u>\$ 18,251</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, 2004**

JUVENILE COURT SPECIAL PROBATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 19,245	\$ 19,245	\$ 0	\$ (19,245)
Total Revenues	<u>19,245</u>	<u>19,245</u>	<u>0</u>	<u>(19,245)</u>
Expenditures:				
Public Safety:				
Personal Services	1,638	102	51	51
Contractual Services	0	204	204	0
Other Expenditures	<u>0</u>	<u>1,383</u>	<u>1,383</u>	<u>0</u>
Total Expenditures	<u>1,638</u>	<u>1,689</u>	<u>1,638</u>	<u>51</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,607	17,556	(1,638)	(19,194)
Fund Balance at Beginning of Year	<u>1,638</u>	<u>1,638</u>	<u>1,638</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,245</u>	<u>\$ 19,194</u>	<u>\$ 0</u>	<u>\$ (19,194)</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 8,000	\$ 14,005	\$ 6,005	\$ (8,000)
Total Revenues	<u>8,000</u>	<u>14,005</u>	<u>6,005</u>	<u>(8,000)</u>
Expenditures:				
Public Safety:				
Personal Services	909	6,056	5,435	621
Materials and Supplies	0	195	194	1
Contractual Services	0	575	575	0
Other Expenditures	<u>487</u>	<u>322</u>	<u>322</u>	<u>0</u>
Total Expenditures	<u>1,396</u>	<u>7,148</u>	<u>6,526</u>	<u>622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,604	6,857	(521)	(7,378)
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(252)</u>	<u>(252)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(252)</u>	<u>(252)</u>	<u>0</u>
Net Change in Fund Balance	6,604	6,605	(773)	(7,378)
Fund Balance at Beginning of Year	<u>1,396</u>	<u>1,396</u>	<u>1,396</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,000</u>	<u>\$ 8,001</u>	<u>\$ 623</u>	<u>\$ (7,378)</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
JUVENILE COURT SOCIAL WORKERS FUND				
Revenues:				
Intergovernmental Revenues	\$ 58,150	\$ 58,150	\$ 80,393	\$ 22,243
All Other Revenues	30,000	30,000	46,465	16,465
Total Revenues	<u>88,150</u>	<u>88,150</u>	<u>126,858</u>	<u>38,708</u>
Expenditures:				
Public Safety:				
Personal Services	113,220	119,520	102,179	17,341
Materials and Supplies	5,000	7,050	3,128	3,922
Contractual Services	1,300	23,200	18,077	5,123
Other Expenditures	7,057	7,257	2,182	5,075
Capital Outlay	0	1,000	329	671
Total Expenditures	<u>126,577</u>	<u>158,027</u>	<u>125,895</u>	<u>32,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,427)	(69,877)	963	70,840
Other Financing Sources (Uses):				
Transfers In	0	0	252	252
Transfers Out	0	(1,051)	(1,051)	0
Advances In	0	0	13,000	13,000
Advances Out	0	(11,000)	(11,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(12,051)</u>	<u>1,201</u>	<u>13,252</u>
Net Change in Fund Balance	(38,427)	(81,928)	2,164	84,092
Fund Balance at Beginning of Year	92,628	92,628	92,628	0
Fund Balance at End of Year	<u>\$ 54,201</u>	<u>\$ 10,700</u>	<u>\$ 94,792</u>	<u>\$ 84,092</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 215,000	\$ 215,000	\$ 228,566	\$ 13,566
All Other Revenues	350	350	316	(34)
Total Revenues	<u>215,350</u>	<u>215,350</u>	<u>228,882</u>	<u>13,532</u>
Expenditures:				
General Government - Judicial:				
Personal Services	170,103	169,203	155,623	13,580
Materials and Supplies	4,723	4,852	4,623	229
Contractual Services	6,075	5,673	5,638	35
Other Expenditures	950	2,363	2,129	234
Capital Outlay	1,000	1,000	797	203
Total Expenditures	<u>182,851</u>	<u>183,091</u>	<u>168,810</u>	<u>14,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,499	32,259	60,072	27,813
Other Financing Sources (Uses):				
Transfers Out	(100,000)	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Net Change in Fund Balance	(67,501)	(67,741)	(39,928)	27,813
Fund Balance at Beginning of Year	125,964	125,964	125,964	0
Prior Year Encumbrances	466	466	466	0
Fund Balance at End of Year	<u>\$ 58,929</u>	<u>\$ 58,689</u>	<u>\$ 86,502</u>	<u>\$ 27,813</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, 2004***

DELINQUENT TAX ASSESSMENT COLLECTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 87,400	\$ 87,400	\$ 114,423	\$ 27,023
Special Assessments	4,400	4,400	5,544	1,144
All Other Revenues	1,200	1,200	2,298	1,098
Total Revenues	<u>93,000</u>	<u>93,000</u>	<u>122,265</u>	<u>29,265</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	61,745	62,505	52,500	10,005
Materials and Supplies	1,000	498	0	498
Contractual Services	23,800	34,906	26,610	8,296
Other Expenditures	7,000	7,724	7,382	342
Capital Outlay	4,300	3,830	1,617	2,213
Total Expenditures	<u>97,845</u>	<u>109,463</u>	<u>88,109</u>	<u>21,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,845)	(16,463)	34,156	50,619
Fund Balance at Beginning of Year	193,333	193,333	193,333	0
Prior Year Encumbrances	2,818	2,818	2,818	0
Fund Balance at End of Year	<u>\$ 191,306</u>	<u>\$ 179,688</u>	<u>\$ 230,307</u>	<u>\$ 50,619</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, 2004**

	VOCA AND SVAA GRANT			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 31,000	\$ 42,065	\$ 25,600	\$ (16,465)
Total Revenues	<u>31,000</u>	<u>42,065</u>	<u>25,600</u>	<u>(16,465)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	28,800	46,050	26,919	19,131
Materials and Supplies	1,500	1,321	756	565
Contractual Services	4,464	6,230	5,331	899
Other Expenditures	2,500	3,019	1,734	1,285
Capital Outlay	<u>2,300</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>39,564</u>	<u>56,620</u>	<u>34,740</u>	<u>21,880</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,564)	(14,555)	(9,140)	5,415
Other Financing Sources (Uses):				
Other Financing Sources	100	100	0	(100)
Transfers In	<u>8,000</u>	<u>8,000</u>	<u>9,249</u>	<u>1,249</u>
Total Other Financing Sources (Uses)	<u>8,100</u>	<u>8,100</u>	<u>9,249</u>	<u>1,149</u>
Net Change in Fund Balance	(464)	(6,455)	109	6,564
Fund Balance at Beginning of Year	5,102	5,102	5,102	0
Prior Year Encumbrances	<u>1,355</u>	<u>1,355</u>	<u>1,355</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,993</u>	<u>\$ 2</u>	<u>\$ 6,566</u>	<u>\$ 6,564</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, 2004**

MARINE PATROL GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 18,000	\$ 18,000	\$ 19,008	\$ 1,008
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>19,008</u>	<u>1,008</u>
Expenditures:				
Public Safety:				
Personal Services	17,824	16,524	14,977	1,547
Materials and Supplies	500	500	50	450
Other Expenditures	500	2,000	1,488	512
Capital Outlay	500	300	224	76
Total Expenditures	<u>19,324</u>	<u>19,324</u>	<u>16,739</u>	<u>2,585</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,324)	(1,324)	2,269	3,593
Fund Balance at Beginning of Year	<u>1,324</u>	<u>1,324</u>	<u>1,324</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,593</u>	<u>\$ 3,593</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, 2004***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 20,000	\$ 20,000	\$ 0	\$ (20,000)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
Expenditures:				
Public Safety:				
Personal Services	<u>45,741</u>	<u>45,741</u>	<u>25,428</u>	<u>20,313</u>
Total Expenditures	<u>45,741</u>	<u>45,741</u>	<u>25,428</u>	<u>20,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,741)	(25,741)	(25,428)	313
Other Financing Sources (Uses):				
Other Financing Sources	<u>100</u>	<u>100</u>	<u>0</u>	<u>(100)</u>
Total Other Financing Sources (Uses)	<u>100</u>	<u>100</u>	<u>0</u>	<u>(100)</u>
Net Change in Fund Balance	(25,641)	(25,641)	(25,428)	213
Fund Balance at Beginning of Year	<u>25,641</u>	<u>25,641</u>	<u>25,641</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 213</u>	<u>\$ 213</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	<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> 0</u>	<u> 18</u>
Total Expenditures	<u> 18</u>	<u> 18</u>	<u> 0</u>	<u> 18</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18)	(18)	0	18
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>\$ 18</u></u>	<u><u>\$ 18</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, 2004**

COMMON PLEAS PRISON REDUCTION GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 50	\$ 50	\$ 0	\$ (50)
Total Revenues	<u>50</u>	<u>50</u>	<u>0</u>	<u>(50)</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	43	43	0	(43)
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>\$ 50</u>	<u>\$ 50</u>	<u>\$ 7</u>	<u>\$ (43)</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, 2004**

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	\$ 26,000	\$ 51,552	\$ 50,788	\$ (764)
All Other Revenues	0	0	190	190
Total Revenues	<u>26,000</u>	<u>51,552</u>	<u>50,978</u>	<u>(574)</u>
Expenditures:				
Public Safety:				
Personal Services	34,353	56,970	46,547	10,423
Materials and Supplies	252	599	475	124
Contractual Services	0	1,488	507	981
Capital Outlay	1,350	2,610	2,610	0
Total Expenditures	<u>35,955</u>	<u>61,667</u>	<u>50,139</u>	<u>11,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,955)	(10,115)	839	10,954
Fund Balance at Beginning of Year	9,955	9,955	9,955	0
Prior Year Encumbrances	163	163	163	0
Fund Balance at End of Year	<u>\$ 163</u>	<u>\$ 3</u>	<u>\$ 10,957</u>	<u>\$ 10,954</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 227,032	\$ 227,032	\$ 95,164	\$ (131,868)
Total Revenues	<u>227,032</u>	<u>227,032</u>	<u>95,164</u>	<u>(131,868)</u>
Expenditures:				
Public Safety:				
Personal Services	94,639	86,463	58,553	27,910
Materials and Supplies	800	800	345	455
Contractual Services	54,668	61,843	33,449	28,394
Capital Outlay	0	1,000	689	311
Total Expenditures	<u>150,107</u>	<u>150,106</u>	<u>93,036</u>	<u>57,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,925	76,926	2,128	(74,798)
Other Financing Sources (Uses):				
Advances In	0	0	11,000	11,000
Advances Out	0	(13,000)	(13,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(13,000)</u>	<u>(2,000)</u>	<u>11,000</u>
Net Change in Fund Balance	76,925	63,926	128	(63,798)
Fund Balance at Beginning of Year	<u>2,239</u>	<u>2,239</u>	<u>2,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 79,164</u>	<u>\$ 66,165</u>	<u>\$ 2,367</u>	<u>\$ (63,798)</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
911 EMERGENCY CALLING SYSTEM FUND				
Revenues:				
Taxes	\$ 1,030,000	\$ 1,030,000	\$ 1,177,746	\$ 147,746
All Other Revenues	6,000	6,000	736	(5,264)
Total Revenues	<u>1,036,000</u>	<u>1,036,000</u>	<u>1,178,482</u>	<u>142,482</u>
Expenditures:				
Public Safety:				
Personal Services	1,818,130	1,823,130	1,067,965	755,165
Materials and Supplies	7,000	8,396	4,229	4,167
Contractual Services	120,926	121,798	27,856	93,942
Other Expenditures	70,999	67,569	27,945	39,624
Capital Outlay	400,500	400,500	178,321	222,179
Total Expenditures	<u>2,417,555</u>	<u>2,421,393</u>	<u>1,306,316</u>	<u>1,115,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,381,555)	(1,385,393)	(127,834)	1,257,559
Fund Balance at Beginning of Year	1,435,552	1,435,552	1,435,552	0
Prior Year Encumbrances	6,263	6,263	6,263	0
Fund Balance at End of Year	<u>\$ 60,260</u>	<u>\$ 56,422</u>	<u>\$ 1,313,981</u>	<u>\$ 1,257,559</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 11,000	\$ 16,795	\$ 17,045	\$ 250
Total Revenues	<u>11,000</u>	<u>16,795</u>	<u>17,045</u>	<u>250</u>
Expenditures:				
Human Services:				
Contractual Services	6,000	17,045	17,045	0
Total Expenditures	<u>6,000</u>	<u>17,045</u>	<u>17,045</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	(250)	0	250
Fund Balance at Beginning of Year	250	250	250	0
Fund Balance at End of Year	<u>\$ 5,250</u>	<u>\$ 0</u>	<u>\$ 250</u>	<u>\$ 250</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
LITTER CONTROL AND RECYCLING FUND				
Revenues:				
Intergovernmental Revenues	\$ 78,000	\$ 78,000	\$ 71,172	\$ (6,828)
All Other Revenues	500	500	4,820	4,320
Total Revenues	<u>78,500</u>	<u>78,500</u>	<u>75,992</u>	<u>(2,508)</u>
Expenditures:				
Health:				
Personal Services	45,073	43,992	43,663	329
Materials and Supplies	8,995	11,118	10,568	550
Contractual Services	12,027	14,041	13,487	554
Other Expenditures	5,545	4,809	4,788	21
Capital Outlay	900	680	680	0
Total Expenditures	<u>72,540</u>	<u>74,640</u>	<u>73,186</u>	<u>1,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,960	3,860	2,806	(1,054)
Other Financing Sources (Uses):				
Transfers In	1,000	1,000	0	(1,000)
Transfers Out	(5,000)	(5,223)	0	5,223
Advances Out	0	(5,000)	(5,000)	0
Total Other Financing Sources (Uses)	<u>(4,000)</u>	<u>(9,223)</u>	<u>(5,000)</u>	<u>4,223</u>
Net Change in Fund Balance	1,960	(5,363)	(2,194)	3,169
Fund Balance at Beginning of Year	3,620	3,620	3,620	0
Prior Year Encumbrances	1,743	1,743	1,743	0
Fund Balance at End of Year	<u>\$ 7,323</u>	<u>\$ 0</u>	<u>\$ 3,169</u>	<u>\$ 3,169</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, 2004****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	\$ 668,770	\$ 850,076	\$ 181,306
Charges for Services	260,000	260,000	157,206	(102,794)
All Other Revenues	3,000	3,000	880	(2,120)
Total Revenues	<u>863,000</u>	<u>931,770</u>	<u>1,008,162</u>	<u>76,392</u>
Expenditures:				
Human Services:				
Personal Services	518,000	555,610	536,539	19,071
Materials and Supplies	10,000	10,045	1,464	8,581
Contractual Services	301,000	311,000	305,890	5,110
Other Expenditures	130,167	149,237	139,345	9,892
Capital Outlay	5,692	10,136	6,904	3,232
Total Expenditures	<u>964,859</u>	<u>1,036,028</u>	<u>990,142</u>	<u>45,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,859)	(104,258)	18,020	122,278
Fund Balance at Beginning of Year	101,467	101,467	101,467	0
Prior Year Encumbrances	2,791	2,791	2,791	0
Fund Balance at End of Year	<u>\$ 2,399</u>	<u>\$ 0</u>	<u>\$ 122,278</u>	<u>\$ 122,278</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, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL ESTATE ASSESSMENT FUND				
Revenues:				
Charges for Services	\$ 460,000	\$ 460,000	\$ 456,370	\$ (3,630)
Total Revenues	<u>460,000</u>	<u>460,000</u>	<u>456,370</u>	<u>(3,630)</u>
Expenditures:				
General Government - Legislative and Executive:				
Personal Services	214,100	217,575	216,175	1,400
Materials and Supplies	15,300	15,300	3,537	11,763
Contractual Services	114,198	144,448	101,368	43,080
Other Expenditures	11,000	11,261	5,589	5,672
Capital Outlay	15,000	15,000	857	14,143
Total Expenditures	<u>369,598</u>	<u>403,584</u>	<u>327,526</u>	<u>76,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,402	56,416	128,844	72,428
Other Financing Sources (Uses):				
Other Financing Sources	1,000	1,000	0	(1,000)
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Net Change in Fund Balance	91,402	57,416	128,844	71,428
Fund Balance at Beginning of Year	440,159	440,159	440,159	0
Prior Year Encumbrances	48,484	48,484	48,484	0
Fund Balance at End of Year	<u>\$ 580,045</u>	<u>\$ 546,059</u>	<u>\$ 617,487</u>	<u>\$ 71,428</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 400,000	\$ 400,000	\$ 214,863	\$ (185,137)
All Other Revenues	1,000	1,000	0	(1,000)
Total Revenues	<u>401,000</u>	<u>401,000</u>	<u>214,863</u>	<u>(186,137)</u>
Expenditures:				
Public Safety:				
Personal Services	302,211	310,541	216,898	93,643
Total Expenditures	<u>302,211</u>	<u>310,541</u>	<u>216,898</u>	<u>93,643</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,789	90,459	(2,035)	(92,494)
Fund Balance at Beginning of Year	99,206	99,206	99,206	0
Fund Balance at End of Year	<u>\$ 197,995</u>	<u>\$ 189,665</u>	<u>\$ 97,171</u>	<u>\$ (92,494)</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 6,700	\$ 6,700	\$ 7,467	\$ 767
Total Revenues	<u>6,700</u>	<u>6,700</u>	<u>7,467</u>	<u>767</u>
Expenditures:				
Capital Outlay:				
Contractual Services	11,800	11,800	3,855	7,945
Other Expenditures	80	80	0	80
Total Expenditures	<u>11,880</u>	<u>11,880</u>	<u>3,855</u>	<u>8,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,180)	(5,180)	3,612	8,792
Fund Balance at Beginning of Year	<u>5,246</u>	<u>5,246</u>	<u>5,246</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 66</u>	<u>\$ 66</u>	<u>\$ 8,858</u>	<u>\$ 8,792</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, 2004***

	<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, 2004**

EMERGENCY MANAGEMENT AGENCY FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 279,470	\$ 568,119	\$ 430,304	\$ (137,815)
All Other Revenues	5,000	5,000	0	(5,000)
Total Revenues	<u>284,470</u>	<u>573,119</u>	<u>430,304</u>	<u>(142,815)</u>
Expenditures:				
Public Safety:				
Personal Services	48,822	129,795	62,666	67,129
Materials and Supplies	1,900	1,900	1,238	662
Contractual Services	5,850	5,875	1,168	4,707
Other Expenditures	43,000	32,438	15,270	17,168
Capital Outlay	224,370	553,154	410,255	142,899
Total Expenditures	<u>323,942</u>	<u>723,162</u>	<u>490,597</u>	<u>232,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,472)	(150,043)	(60,293)	89,750
Other Financing Sources (Uses):				
Other Financing Sources	500	500	0	(500)
Transfers In	45,000	45,000	30,000	(15,000)
Total Other Financing Sources (Uses)	<u>45,500</u>	<u>45,500</u>	<u>30,000</u>	<u>(15,500)</u>
Net Change in Fund Balance	6,028	(104,543)	(30,293)	74,250
Fund Balance at Beginning of Year	14,737	14,737	14,737	0
Prior Year Encumbrances	114,443	114,443	114,443	0
Fund Balance at End of Year	<u>\$ 135,208</u>	<u>\$ 24,637</u>	<u>\$ 98,887</u>	<u>\$ 74,250</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 30,816	\$ 30,816	\$ 30,778	\$ (38)
Total Revenues	<u>30,816</u>	<u>30,816</u>	<u>30,778</u>	<u>(38)</u>
Expenditures:				
Human Services:				
Personal Services	2,157	2,157	1,618	539
Contractual Services	<u>38,390</u>	<u>40,330</u>	<u>35,558</u>	<u>4,772</u>
Total Expenditures	<u>40,547</u>	<u>42,487</u>	<u>37,176</u>	<u>5,311</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,731)	(11,671)	(6,398)	5,273
Fund Balance at Beginning of Year	9,731	9,731	9,731	0
Prior Year Encumbrances	<u>1,940</u>	<u>1,940</u>	<u>1,940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,940</u>	<u>\$ 0</u>	<u>\$ 5,273</u>	<u>\$ 5,273</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, 2004**

	HOME FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 100,000	\$ 148,700	\$ 87,250	\$ (61,450)
All Other Revenues	0	0	43	43
Total Revenues	<u>100,000</u>	<u>148,700</u>	<u>87,293</u>	<u>(61,407)</u>
Expenditures:				
Human Services:				
Capital Outlay	<u>100,102</u>	<u>148,998</u>	<u>48,668</u>	<u>100,330</u>
Total Expenditures	<u>100,102</u>	<u>148,998</u>	<u>48,668</u>	<u>100,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(102)	(298)	38,625	38,923
Fund Balance at Beginning of Year	4	4	4	0
Prior Year Encumbrances	<u>294</u>	<u>294</u>	<u>294</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 196</u>	<u>\$ 0</u>	<u>\$ 38,923</u>	<u>\$ 38,923</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 15,400	\$ 15,400	\$ 15,385	\$ (15)
Total Revenues	<u>15,400</u>	<u>15,400</u>	<u>15,385</u>	<u>(15)</u>
Expenditures:				
Health:				
Contractual Services	<u>15,400</u>	<u>22,980</u>	<u>22,965</u>	<u>15</u>
Total Expenditures	<u>15,400</u>	<u>22,980</u>	<u>22,965</u>	<u>15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(7,580)	(7,580)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	<u>7,580</u>	<u>7,580</u>	<u>7,580</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,580</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, 2004**

HELP AMERICA VOTE ACT 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:				
General Government - Legislative and Executive:				
Capital Outlay	7,908	7,908	7,908	0
Total Expenditures	<u>7,908</u>	<u>7,908</u>	<u>7,908</u>	<u>0</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(7,908)	(7,908)	(7,908)	0
Fund Balance at Beginning of Year	<u>7,908</u>	<u>7,908</u>	<u>7,908</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 22,000	\$ 26,000	\$ 4,000
Total Revenues	<u>0</u>	<u>22,000</u>	<u>26,000</u>	<u>4,000</u>
Expenditures:				
Public Works:				
Contractual Services	0	21,500	0	21,500
Other Expenditures	<u>0</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>0</u>	<u>22,000</u>	<u>0</u>	<u>22,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	26,000	26,000
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>\$ 26,000</u>	<u>\$ 26,000</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Licenses and Permits	\$ 0	\$ 8,500	\$ 9,357	\$ 857
Total Revenues	<u>0</u>	<u>8,500</u>	<u>9,357</u>	<u>857</u>
Expenditures:				
Public Safety:				
Contractual Services	0	7,500	3,915	3,585
Capital Outlay	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>0</u>	<u>8,500</u>	<u>3,915</u>	<u>4,585</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	5,442	5,442
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>\$ 5,442</u>	<u>\$ 5,442</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
WIA PROGRAMS FUND				
Revenues:				
All Other Revenues	\$ 0	\$ 153,136	\$ 79,211	\$ (73,925)
Total Revenues	0	153,136	79,211	(73,925)
Expenditures:				
Human Services:				
Personal Services	0	7,478	5,425	2,053
Contractual Services	0	103,358	63,443	39,915
Capital Outlay	0	42,300	31,346	10,954
Total Expenditures	0	153,136	100,214	52,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(21,003)	(21,003)
Other Financing Sources (Uses):				
Advances In	0	0	50,000	50,000
Total Other Financing Sources (Uses)	0	0	50,000	50,000
Net Change in Fund Balance	0	0	28,997	28,997
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 28,997	\$ 28,997

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, 2004**

FLOOD ASSISTANCE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 417,796	\$ 417,796	\$ 0
Total Revenues	<u>0</u>	<u>417,796</u>	<u>417,796</u>	<u>0</u>
Expenditures:				
Public Works:				
Personal Services	0	37,999	37,999	0
Materials and Supplies	0	68,555	68,555	0
Contractual Services	<u>0</u>	<u>130,166</u>	<u>130,166</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>236,720</u>	<u>236,720</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	181,076	181,076	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(181,076)</u>	<u>0</u>	<u>181,076</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(181,076)</u>	<u>0</u>	<u>181,076</u>
Net Change in Fund Balance	0	0	181,076	181,076
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>\$ 181,076</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 12,500	\$ 0	\$ (12,500)
Total Revenues	<u>0</u>	<u>12,500</u>	<u>0</u>	<u>(12,500)</u>
Expenditures:				
Public Safety:				
Personal Services	0	8,500	0	8,500
Contractual Services	0	775	0	775
Capital Outlay	<u>0</u>	<u>2,225</u>	<u>0</u>	<u>2,225</u>
Total Expenditures	<u>0</u>	<u>11,500</u>	<u>0</u>	<u>11,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	1,000	0	(1,000)
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>\$ 1,000</u>	<u>\$ 0</u>	<u>\$ (1,000)</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 10,511	\$ 9,460	\$ (1,051)
Total Revenues	<u>0</u>	<u>10,511</u>	<u>9,460</u>	<u>(1,051)</u>
Expenditures:				
General Government - Judicial:				
Materials and Supplies	0	725	725	0
Capital Outlay	0	9,786	9,786	0
Total Expenditures	<u>0</u>	<u>10,511</u>	<u>10,511</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(1,051)	(1,051)
Other Financing Sources (Uses):				
Transfers In	0	0	1,051	1,051
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,051</u>	<u>1,051</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 639,500	\$ 639,500	\$ 608,682	\$ (30,818)
Intergovernmental Revenues	67,000	67,000	69,374	2,374
Total Revenues	<u>706,500</u>	<u>706,500</u>	<u>678,056</u>	<u>(28,444)</u>
Expenditures:				
Human Services:				
Contractual Services	<u>706,500</u>	<u>706,500</u>	<u>678,056</u>	<u>28,444</u>
Total Expenditures	<u>706,500</u>	<u>706,500</u>	<u>678,056</u>	<u>28,444</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 835,300	\$ 835,300	\$ 780,643	\$ (54,657)
Intergovernmental Revenues	90,000	90,000	94,154	4,154
Total Revenues	<u>925,300</u>	<u>925,300</u>	<u>874,797</u>	<u>(50,503)</u>
Expenditures:				
General Government - Legislative and Executive:				
Contractual Services	<u>1,060,818</u>	<u>1,060,818</u>	<u>1,010,315</u>	<u>50,503</u>
Total Expenditures	<u>1,060,818</u>	<u>1,060,818</u>	<u>1,010,315</u>	<u>50,503</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,518)	(135,518)	(135,518)	0
Fund Balance at Beginning of Year	<u>135,518</u>	<u>135,518</u>	<u>135,518</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
BOND RETIREMENT FUND				
Revenues:				
Special Assessments	\$ 200,000	\$ 200,000	\$ 201,221	\$ 1,221
All Other Revenues	53,550	374,252	256,265	(117,987)
Total Revenues	<u>253,550</u>	<u>574,252</u>	<u>457,486</u>	<u>(116,766)</u>
Expenditures:				
Debt Service:				
Principal Retirement	715,000	715,000	715,000	0
Interest and Fiscal Charges	<u>589,376</u>	<u>589,376</u>	<u>587,179</u>	<u>2,197</u>
Total Expenditures	<u>1,304,376</u>	<u>1,304,376</u>	<u>1,302,179</u>	<u>2,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,050,826)	(730,124)	(844,693)	(114,569)
Other Financing Sources (Uses):				
Transfers In	<u>1,053,595</u>	<u>732,893</u>	<u>772,591</u>	<u>39,698</u>
Total Other Financing Sources (Uses)	<u>1,053,595</u>	<u>732,893</u>	<u>772,591</u>	<u>39,698</u>
Net Change in Fund Balance	2,769	2,769	(72,102)	(74,871)
Fund Balance at Beginning of Year	<u>702,428</u>	<u>702,428</u>	<u>702,428</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 705,197</u>	<u>\$ 705,197</u>	<u>\$ 630,326</u>	<u>\$ (74,871)</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, 2004***

OHIO WATER DEVELOPMENT AUTHORITY FUND

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

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Revenues:				
Intergovernmental Revenues	\$ 1,000	\$ 1,000	\$ 340,000	\$ 339,000
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>340,000</u>	<u>339,000</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>1,350,000</u>	<u>1,350,000</u>	<u>489,314</u>	<u>860,686</u>
Total Expenditures	<u>1,350,000</u>	<u>1,350,000</u>	<u>489,314</u>	<u>860,686</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,349,000)	(1,349,000)	(149,314)	1,199,686
Other Financing Sources (Uses):				
Transfers In	<u>400,000</u>	<u>400,000</u>	<u>0</u>	<u>(400,000)</u>
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>400,000</u>	<u>0</u>	<u>(400,000)</u>
Net Change in Fund Balance	(949,000)	(949,000)	(149,314)	799,686
Fund Balance at Beginning of Year	<u>1,348,604</u>	<u>1,348,604</u>	<u>1,348,604</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 399,604</u>	<u>\$ 399,604</u>	<u>\$ 1,199,290</u>	<u>\$ 799,686</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
All Other Revenues	\$ 500	\$ 500	\$ 1,240	\$ 740
Total Revenues	<u>500</u>	<u>500</u>	<u>1,240</u>	<u>740</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(2,500)	1,240	3,740
Fund Balance at Beginning of Year	<u>3,183</u>	<u>3,183</u>	<u>3,183</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 683</u>	<u>\$ 683</u>	<u>\$ 4,423</u>	<u>\$ 3,740</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, 2004***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 6,638	\$ 6,638	\$ 0
Total Revenues	<u>0</u>	<u>6,638</u>	<u>6,638</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>784,955</u>	<u>378,569</u>	<u>378,569</u>	<u>0</u>
Total Expenditures	<u>784,955</u>	<u>378,569</u>	<u>378,569</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(784,955)	(371,931)	(371,931)	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(429,033)</u>	<u>(429,033)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(429,033)</u>	<u>(429,033)</u>	<u>0</u>
Net Change in Fund Balance	(784,955)	(800,964)	(800,964)	0
Fund Balance at Beginning of Year	<u>800,964</u>	<u>800,964</u>	<u>800,964</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,009</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, 2004**

	ISSUE II FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 225,000	\$ 500,180	\$ 500,180	\$ 0
Total Revenues	<u>225,000</u>	<u>500,180</u>	<u>500,180</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Other Expenditures	<u>225,000</u>	<u>532,884</u>	<u>532,884</u>	<u>0</u>
Total Expenditures	<u>225,000</u>	<u>532,884</u>	<u>532,884</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(32,704)	(32,704)	0
Other Financing Sources (Uses):				
Ohio Public Works Commission Loan	<u>0</u>	<u>32,704</u>	<u>32,704</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>32,704</u>	<u>32,704</u>	<u>0</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 437	\$ (4,563)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>437</u>	<u>(4,563)</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>82,762</u>	<u>83,859</u>	<u>75,974</u>	<u>7,885</u>
Total Expenditures	<u>82,762</u>	<u>83,859</u>	<u>75,974</u>	<u>7,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,762)	(78,859)	(75,537)	3,322
Fund Balance at Beginning of Year	2,885	2,885	2,885	0
Prior Year Encumbrances	<u>75,974</u>	<u>75,974</u>	<u>75,974</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,097</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, 2004**

JFS TRAINING CENTER FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 0	\$ 67	\$ 67	\$ 0
Total Revenues	<u>0</u>	<u>67</u>	<u>67</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>4,000</u>	<u>2,940</u>	<u>2,940</u>	<u>0</u>
Total Expenditures	<u>4,000</u>	<u>2,940</u>	<u>2,940</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(2,873)	(2,873)	0
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(1,358)</u>	<u>(1,358)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(1,358)</u>	<u>(1,358)</u>	<u>0</u>
Net Change in Fund Balance	(4,000)	(4,231)	(4,231)	0
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>\$ 231</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, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHILDREN'S RESOURCE CENTER FUND				
Revenues:				
Investment Earnings	\$ 0	\$ 671	\$ 671	\$ 0
Total Revenues	0	671	671	0
Expenditures:				
Capital Outlay:				
Contractual Services	121,576	96,223	96,223	0
Total Expenditures	121,576	96,223	96,223	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(121,576)	(95,552)	(95,552)	0
Other Financing Sources (Uses):				
Transfers Out	0	(38,340)	(38,340)	0
Total Other Financing Sources (Uses)	0	(38,340)	(38,340)	0
Net Change in Fund Balance	(121,576)	(133,892)	(133,892)	0
Fund Balance at Beginning of Year	121,250	121,250	121,250	0
Prior Year Encumbrances	12,642	12,642	12,642	0
Fund Balance at End of Year	\$ 12,316	\$ 0	\$ 0	\$ 0

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, 2004**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 515,500	\$ 680,907	\$ 323,777	\$ (357,130)
Investment Earnings	500	500	23	(477)
Total Revenues	<u>516,000</u>	<u>681,407</u>	<u>323,800</u>	<u>(357,607)</u>
Expenditures:				
Capital Outlay:				
Capital Outlay	<u>533,100</u>	<u>715,903</u>	<u>330,490</u>	<u>385,413</u>
Total Expenditures	<u>533,100</u>	<u>715,903</u>	<u>330,490</u>	<u>385,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,100)	(34,496)	(6,690)	27,806
Fund Balance at Beginning of Year	19,268	19,268	19,268	0
Prior Year Encumbrances	<u>16,197</u>	<u>16,197</u>	<u>16,197</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,365</u>	<u>\$ 969</u>	<u>\$ 28,775</u>	<u>\$ 27,806</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, 2004***

FREDERICKTOWN SEWER PROJECT 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:				
Capital Outlay	6,794	6,794	0	6,794
Total Expenditures	<u>6,794</u>	<u>6,794</u>	<u>0</u>	<u>6,794</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(6,794)	(6,794)	0	6,794
Fund Balance at Beginning of Year	6,794	6,794	6,794	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,794</u>	<u>\$ 6,794</u>

KNOX COUNTY, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 5,553	\$ 5,553	\$ 0
Total Revenues	<u>0</u>	<u>5,553</u>	<u>5,553</u>	<u>0</u>
Expenditures:				
Capital Outlay:				
Contractual Services	0	5,553	5,553	0
Total Expenditures	<u>0</u>	<u>5,553</u>	<u>5,553</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 259,398</u>	<u>\$ 383,237</u>	<u>\$ 123,839</u>
Total Revenues	<u>0</u>	<u>259,398</u>	<u>383,237</u>	<u>123,839</u>
Expenditures:				
Capital Outlay:				
Contractual Services	<u>0</u>	<u>259,398</u>	<u>383,237</u>	<u>(123,839)</u>
Total Expenditures	<u>0</u>	<u>259,398</u>	<u>383,237</u>	<u>(123,839)</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>

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, 2004***

	Undivided Personal Property Tax	Undivided Real Estate Tax	All Other Agency	Totals
Assets:				
Cash and Cash Equivalents	\$784,500	\$1,603,050	\$1,867,420	\$4,254,970
Cash and Cash Equivalents in Segregated Accounts	0	0	279,816	279,816
Receivables:				
Taxes	6,234,907	42,735,944	0	48,970,851
Accounts	0	0	10,150	10,150
Special Assessments	0	9,630	0	9,630
Due from Other Governments	0	0	3,109,441	3,109,441
Total Assets	<u>\$7,019,407</u>	<u>\$44,348,624</u>	<u>\$5,266,827</u>	<u>\$56,634,858</u>
Liabilities:				
Due to Other Governments	\$7,019,407	\$44,348,624	\$3,554,826	\$54,922,857
Undistributed Monies	0	0	272,835	272,835
Due to Others	0	0	1,439,166	1,439,166
Total Liabilities	<u>\$7,019,407</u>	<u>\$44,348,624</u>	<u>\$5,266,827</u>	<u>\$56,634,858</u>

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<u>District Board of Health</u>				
Assets:				
Cash and Cash Equivalents	\$961,089	\$3,354,000	(\$3,061,722)	\$1,253,367
Total Assets	<u>961,089</u>	<u>3,354,000</u>	<u>(3,061,722)</u>	<u>1,253,367</u>
Liabilities:				
Due to Others	961,089	3,354,000	(3,061,722)	1,253,367
Total Liabilities	<u>\$961,089</u>	<u>\$3,354,000</u>	<u>(\$3,061,722)</u>	<u>\$1,253,367</u>
<u>Soil and Water Conservation</u>				
Assets:				
Cash and Cash Equivalents	\$128,769	\$272,903	(\$271,834)	\$129,838
Total Assets	<u>128,769</u>	<u>272,903</u>	<u>(271,834)</u>	<u>129,838</u>
Liabilities:				
Due to Others	128,769	272,903	(271,834)	129,838
Total Liabilities	<u>\$128,769</u>	<u>\$272,903</u>	<u>(\$271,834)</u>	<u>\$129,838</u>
<u>Corporation</u>				
Assets:				
Cash and Cash Equivalents	\$35,486	\$897,841	(\$859,690)	\$73,637
Due from Other Governments	164,877	181,459	(164,877)	181,459
Total Assets	<u>200,363</u>	<u>1,079,300</u>	<u>(1,024,567)</u>	<u>255,096</u>
Liabilities:				
Due to Other Governments	200,363	1,079,300	(1,024,567)	255,096
Total Liabilities	<u>\$200,363</u>	<u>\$1,079,300</u>	<u>(\$1,024,567)</u>	<u>\$255,096</u>
<u>Local Government</u>				
Assets:				
Due from Other Governments	\$946,896	\$1,034,858	(\$946,896)	\$1,034,858
Total Assets	<u>946,896</u>	<u>1,034,858</u>	<u>(946,896)</u>	<u>1,034,858</u>
Liabilities:				
Due to Other Governments	946,896	1,034,858	(946,896)	1,034,858
Total Liabilities	<u>\$946,896</u>	<u>\$1,034,858</u>	<u>(\$946,896)</u>	<u>\$1,034,858</u>
<u>Law Library</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$20,161	(\$20,161)	\$0
Due From Other Governments	997	0	(997)	0
Total Assets	<u>997</u>	<u>20,161</u>	<u>(21,158)</u>	<u>0</u>
Liabilities:				
Due to Other Governments	997	20,161	(21,158)	0
Total Liabilities	<u>\$997</u>	<u>\$20,161</u>	<u>(\$21,158)</u>	<u>\$0</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<u>Library Support</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$1,883,394	(\$1,883,394)	\$0
Due From Other Governments	732,366	850,190	(732,366)	850,190
Total Assets	<u>732,366</u>	<u>2,733,584</u>	<u>(2,615,760)</u>	<u>850,190</u>
Liabilities:				
Due to Other Governments	732,366	2,733,584	(2,615,760)	850,190
Total Liabilities	<u>\$732,366</u>	<u>\$2,733,584</u>	<u>(\$2,615,760)</u>	<u>\$850,190</u>
<u>Lodging Tax</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$113,063	(\$113,063)	\$0
Accounts Receivable	5,269	10,150	(5,269)	10,150
Total Assets	<u>5,269</u>	<u>123,213</u>	<u>(118,332)</u>	<u>10,150</u>
Liabilities:				
Due to Others	5,269	123,213	(118,332)	10,150
Total Liabilities	<u>\$5,269</u>	<u>\$123,213</u>	<u>(\$118,332)</u>	<u>\$10,150</u>
<u>Cigarette Tax</u>				
Assets:				
Cash and Cash Equivalents	\$1,008	\$2,652	(\$3,660)	\$0
Total Assets	<u>1,008</u>	<u>2,652</u>	<u>(3,660)</u>	<u>0</u>
Liabilities:				
Due to Other Governments	1,008	2,652	(3,660)	0
Total Liabilities	<u>\$1,008</u>	<u>\$2,652</u>	<u>(\$3,660)</u>	<u>\$0</u>
<u>Manufactured Home Tax</u>				
Assets:				
Cash and Cash Equivalents	\$26,883	\$222,612	(\$219,031)	\$30,464
Total Assets	<u>26,883</u>	<u>222,612</u>	<u>(219,031)</u>	<u>30,464</u>
Liabilities:				
Due to Other Governments	26,883	222,612	(219,031)	30,464
Total Liabilities	<u>\$26,883</u>	<u>\$222,612</u>	<u>(\$219,031)</u>	<u>\$30,464</u>
<u>County Court Agency Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$291,166	\$9,176,115	(\$9,194,446)	\$272,835
Total Assets	<u>291,166</u>	<u>9,176,115</u>	<u>(9,194,446)</u>	<u>272,835</u>
Liabilities:				
Due to Other Governments	0	6,531,399	(6,531,399)	0
Undistributed Monies	291,166	272,835	(291,166)	272,835
Due to Others	0	2,371,881	(2,371,881)	0
Total Liabilities	<u>\$291,166</u>	<u>\$9,176,115</u>	<u>(\$9,194,446)</u>	<u>\$272,835</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
Undivided Personal Property Tax				
Assets:				
Cash and Cash Equivalents	\$256,809	\$5,892,052	(\$5,364,361)	\$784,500
Receivables:				
Taxes	6,393,124	6,234,907	(6,393,124)	6,234,907
Total Assets	<u>6,649,933</u>	<u>12,126,959</u>	<u>(11,757,485)</u>	<u>7,019,407</u>
Liabilities:				
Due to Other Governments	6,649,933	12,126,959	(11,757,485)	7,019,407
Total Liabilities	<u>\$6,649,933</u>	<u>\$12,126,959</u>	<u>(\$11,757,485)</u>	<u>\$7,019,407</u>
Estate Tax				
Assets:				
Cash and Cash Equivalents	\$263,558	\$628,261	(\$709,196)	\$182,623
Total Assets	<u>263,558</u>	<u>628,261</u>	<u>(709,196)</u>	<u>182,623</u>
Liabilities:				
Due to Other Governments	263,558	628,261	(709,196)	182,623
Total Liabilities	<u>\$263,558</u>	<u>\$628,261</u>	<u>(\$709,196)</u>	<u>\$182,623</u>
Undivided Real Estate Tax				
Assets:				
Cash and Cash Equivalents	\$1,788,608	\$38,568,023	(\$38,753,581)	\$1,603,050
Receivables:				
Taxes	41,813,125	42,735,944	(41,813,125)	42,735,944
Special Assessments	255,980	9,630	(255,980)	9,630
Total Assets	<u>43,857,713</u>	<u>81,313,597</u>	<u>(80,822,686)</u>	<u>44,348,624</u>
Liabilities:				
Due to Other Governments	43,857,713	81,313,597	(80,822,686)	44,348,624
Total Liabilities	<u>\$43,857,713</u>	<u>\$81,313,597</u>	<u>(\$80,822,686)</u>	<u>\$44,348,624</u>
Regional Planning Commission				
Assets:				
Cash and Cash Equivalents	\$40,587	\$87,735	(\$90,894)	\$37,428
Total Assets	<u>40,587</u>	<u>87,735</u>	<u>(90,894)</u>	<u>37,428</u>
Liabilities:				
Due to Others	40,587	87,735	(90,894)	37,428
Total Liabilities	<u>\$40,587</u>	<u>\$87,735</u>	<u>(\$90,894)</u>	<u>\$37,428</u>
Workers' Compensation				
Assets:				
Cash and Cash Equivalents	\$0	\$152,737	(\$149,096)	\$3,641
Due from Other Governments	13,161	11,016	(13,161)	11,016
Total Assets	<u>13,161</u>	<u>163,753</u>	<u>(162,257)</u>	<u>14,657</u>
Liabilities:				
Due to Other Governments	13,161	163,753	(162,257)	14,657
Total Liabilities	<u>\$13,161</u>	<u>\$163,753</u>	<u>(\$162,257)</u>	<u>\$14,657</u>

(Continued)

KNOX COUNTY, OHIO

**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<u>Alimony and Child Support</u>				
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>
<u>Inmate Fund</u>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$468	\$64,894	(\$64,878)	\$484
Total Assets	<u>468</u>	<u>64,894</u>	<u>(64,878)</u>	<u>484</u>
Liabilities:				
Due to Others	468	64,894	(64,878)	484
Total Liabilities	<u>\$468</u>	<u>\$64,894</u>	<u>(\$64,878)</u>	<u>\$484</u>
<u>Township</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$2,510,122	(\$2,510,122)	\$0
Due from Other Governments	881,367	1,031,918	(881,367)	1,031,918
Total Assets	<u>881,367</u>	<u>3,542,040</u>	<u>(3,391,489)</u>	<u>1,031,918</u>
Liabilities:				
Due to Other Governments	881,367	3,542,040	(3,391,489)	1,031,918
Total Liabilities	<u>\$881,367</u>	<u>\$3,542,040</u>	<u>(\$3,391,489)</u>	<u>\$1,031,918</u>
<u>Payroll Fund</u>				
Assets:				
Cash and Cash Equivalents	\$157,092	\$13,992,939	(\$13,993,609)	\$156,422
Total Assets	<u>157,092</u>	<u>13,992,939</u>	<u>(13,993,609)</u>	<u>156,422</u>
Liabilities:				
Due to Other Governments	155,399	5,814,168	(5,814,547)	155,020
Due to Others	1,693	8,178,771	(8,179,062)	1,402
Total Liabilities	<u>\$157,092</u>	<u>\$13,992,939</u>	<u>(\$13,993,609)</u>	<u>\$156,422</u>

(Continued)

KNOX COUNTY, OHIO**Combining Statement Of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2004**

	Balance December 31, 2003	Additions	Reductions	Balance December 31, 2004
<u>All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$3,659,889	\$68,598,495	(\$68,003,414)	\$4,254,970
Cash and Cash Equivalents in Segregated Accounts	298,131	9,241,009	(9,259,324)	279,816
Receivables:				
Taxes	48,206,249	48,970,851	(48,206,249)	48,970,851
Accounts	5,269	10,150	(5,269)	10,150
Special Assessments	255,980	9,630	(255,980)	9,630
Due from Other Governments	2,739,664	3,109,441	(2,739,664)	3,109,441
Total Assets	<u>55,165,182</u>	<u>129,939,576</u>	<u>(128,469,900)</u>	<u>56,634,858</u>
Liabilities:				
Due to Other Governments	53,729,644	115,213,344	(114,020,131)	54,922,857
Undistributed Monies	291,166	272,835	(291,166)	272,835
Due to Others	1,144,372	14,453,397	(14,158,603)	1,439,166
Total Liabilities	<u>\$55,165,182</u>	<u>\$129,939,576</u>	<u>(\$128,469,900)</u>	<u>\$56,634,858</u>

*C*OMPONENT *U*NITS

KNOX COUNTY, OHIO**Statement of Cash Flows****Component Units****For the Year Ended December 31, 2004**

	Knox New Hope Industries	Knox County Airport
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$75,108	\$376,202
Cash Payments to Suppliers for Goods and Services	(32,418)	(278,005)
Cash Payments to Employees for Service	(45,292)	(67,436)
Other Operating Receipts	477	10,707
Net Cash Provided (Used) by Operating Activities	(2,125)	41,468
<u>Cash Flows from Noncapital and Related Financing Activities:</u>		
Operating Grant	0	127,427
Net Cash Provided by Noncapital and Related Financing Activities	0	127,427
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Capital Assets	(3,050)	(35,882)
Proceeds from Sale of Capital Assets	20	0
Debt Principal Retirement	0	(28,250)
Interest Paid on Debt	0	(6,223)
Net Cash Used for Capital and Related Financing Activities	(3,030)	(70,355)
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	9,221	0
Investment in Mutual Fund	(38,759)	0
Net Cash Used for Investing Activities	(29,538)	0
Net Increase (Decrease) in Cash and Cash Equivalents	(34,693)	98,540
Cash and Cash Equivalents at Beginning of Year	129,251	267,072
Cash and Cash Equivalents at End of Year	\$94,558	\$365,612
<u>Reconciliation of Cash and</u>		
<u>Cash Equivalents per the Statement of Net Assets:</u>		
Cash and Cash Equivalents	\$93,651	\$365,612
Cash with Fiscal and Escrow Agents	907	0
Cash and Cash Equivalents at End of Year	\$94,558	\$365,612
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided (Used) by Operating Activities:</u>		
Operating Income	(\$12,292)	(\$32,873)
Adjustments to Reconcile Operating (Income) Loss to		
Net Cash Used for Operating Activities:		
Depreciation Expense	14,586	40,052
NonCash Contribution	(510)	0
Miscellaneous Nonoperating Expense	0	(7,989)
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(3,333)	33,706
Decrease in Inventory	659	1,823
Increase (Decrease) in Accounts Payable	(338)	6,505
Decrease in Accrued Wages and Benefits	(897)	0
Increase in Due to Primary Government	0	244
Total Adjustments	10,167	74,341
Net Cash Provided (Used) for Operating Activities	(\$2,125)	\$41,468

*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, 2004***

Capital Assets

Land	\$3,511,122
Buildings and Improvements	24,900,083
Vehicles	2,622,849
Machinery and Equipment	3,698,160
Computer Equipment	919,818
Infrastructure	<u>41,619,537</u>
Total Capital Assets	<u><u>\$77,271,569</u></u>

Investment in Capital Assets

Federal Grants	\$853,782
State Grants	3,100,609
Local Grants	24,874
General Fund	3,801,758
Special Revenue Funds	13,239,052
Capital Projects	44,438,124
Donations	1,661,042
Note or Bonded Debt	<u>10,152,328</u>
Total Investment in Capital Assets	<u><u>\$77,271,569</u></u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2004***

<u>Function and Category</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>
General Government	\$12,818,880	\$1,146,676	\$10,204,541	\$1,214,633
Judicial	386,572	17,043	50,031	88,034
Public Safety	9,390,505	13,056	7,560,216	950,023
Public Works	46,999,320	2,195,094	697,844	1,151,788
Health	1,705,121	5,006	1,634,621	5,580
Human Services	<u>5,971,171</u>	<u>134,247</u>	<u>4,752,830</u>	<u>288,102</u>
Total Capital Assets	<u><u>\$77,271,569</u></u>	<u><u>\$3,511,122</u></u>	<u><u>\$24,900,083</u></u>	<u><u>\$3,698,160</u></u>

KNOX COUNTY, OHIO

<u>Vehicles</u>	<u>Computer Equipment</u>	<u>Infrastructure</u>
\$99,430	\$153,600	\$0
0	231,464	0
559,825	307,385	0
1,291,523	43,534	41,619,537
54,556	5,358	0
<u>617,515</u>	<u>178,477</u>	<u>0</u>
<u>\$2,622,849</u>	<u>\$919,818</u>	<u>\$41,619,537</u>

KNOX COUNTY, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2004***

<u>Function</u>	<u>Restated December 31, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2004</u>
General Government	\$12,386,984	\$483,596	(\$51,700)	\$12,818,880
Judicial	346,187	48,553	(8,168)	386,572
Public Safety	8,928,613	872,965	(411,073)	9,390,505
Public Works	46,020,569	2,262,217	(1,283,466)	46,999,320
Health	1,705,121	0	0	1,705,121
Human Services	<u>6,044,593</u>	<u>53,770</u>	<u>(127,192)</u>	<u>5,971,171</u>
Total Capital Assets	<u>\$75,432,067</u>	<u>\$3,721,101</u>	<u>(\$1,881,599)</u>	<u>\$77,271,569</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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Government:										
Legislative and Executive	\$2,961,383	\$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
Judicial	949,066	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
Public Safety	2,419,993	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
Public Works	3,865,581	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
Health	205,997	101,001	203,702	197,921	213,783	324,844	285,930	315,828	405,707	415,342
Human Services	7,646,885	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
Conservation - Recreation	3,048	0	0	1,119	34,000	0	0	2,000	0	0
Miscellaneous	0	0	7,427	0	0	0	0	0	0	0
Capital Outlay	738,978	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
Intergovernmental	899,600	0	0	0	0	0	0	0	0	0
Debt Service	677,745	710,438	609,426	2,112,784	924,734	794,175	1,335,364	1,423,953	1,326,072	1,305,918
Total	<u>\$20,368,276</u>	<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>

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

Data for 1995 - 2004 reported in conformity with General Accepted Accounting Principles, on a modified accrual basis.

Source: Knox County Auditor

KNOX COUNTY, OHIO

GOVERNMENTAL FUND REVENUES BY SOURCE * LAST TEN YEARS

	<u>1995</u>	<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>
Taxes	\$7,110,642	\$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
Charges for Services	2,190,183	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
Licenses and Permits	7,336	99,099	93,573	105,306	107,900	97,070	117,776	108,978	122,658	123,798
Fines and Forfeitures	84,269	54,560	68,278	95,066	63,819	72,799	66,336	82,526	89,492	75,621
Intergovernmental	9,997,114	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
Special Assessments	727,694	643,256	566,052	548,482	495,428	431,104	404,081	185,399	232,199	214,232
Interest	696,351	772,391	998,870	1,095,352	1,233,607	1,524,354	1,536,669	390,210	332,673	403,721
Other Revenue	177,711	237,821	274,978	875,929	1,195,467	742,434	1,070,933	1,246,036	945,500	1,778,066
Total Revenue	<u>\$20,991,300</u>	<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>

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

Data for 1995 - 2004 reported in conformity with General 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>
1995	\$4,277,185	\$3,591,980	83.98%	\$222,271	\$145,054	65.26%	\$4,499,456	\$3,737,034	83.06%
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%

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>
1995	\$4,861,873	\$4,504,533	92.65%
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%

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	
1995	\$412,847	\$1,179,563	\$50,306	\$143,731	\$82,024	\$328,096	\$545,177	\$1,651,390	33.01%
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%

Source: Knox County Auditor

* Percentage change from 88% to 25%

KNOX COUNTY, OHIO

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

Levy Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Collection Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
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	0.00	0.00	0.00
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	8.70	9.70	9.70
In County School Districts:										
Fredericktown	40.20	44.70	49.20	49.20	49.20	49.20	54.53	54.53	54.53	54.53
Danville	42.00	42.00	42.00	41.00	41.00	41.00	44.60	44.60	44.60	44.60
Mount Vernon	36.20	36.20	40.59	39.87	39.87	37.54	36.74	36.64	35.43	35.38
East Knox	45.70	45.50	45.50	45.50	44.00	42.70	47.20	43.40	43.40	42.40
Centerburg	39.70	39.50	39.20	34.10	34.10	34.10	41.16	41.16	41.16	41.16
Out Of County School Districts:										
Clear Fork	46.60	46.60	46.20	52.38	52.38	50.80	50.20	50.20	50.20	50.20
Loudonville	37.90	37.40	37.10	36.80	36.40	35.70	35.70	35.60	35.00	35.00
North Fork	37.00	37.00	37.00	37.00	37.00	37.00	35.75	35.75	35.29	35.29
Northridge	40.30	40.30	47.17	39.47	39.20	38.10	37.85	37.80	37.28	37.15
Joint Vocational School Districts:										
Knox County Career Center	4.70	4.70	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	2.00	3.00	2.80
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	7.40
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	3.50	2.50	2.50
Danville	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	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 Collection Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Corporations:											
Mount Vernon	3.20	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	2.50
Brown	6.40	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	3.50	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	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	3.10
Clinton	4.20	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
College	5.80	5.75	5.75	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Harrison	3.50	3.50	3.55	3.55	3.55	3.55	3.15	3.15	2.10	2.10	2.10
Hilliar	7.20	7.20	9.20	8.70	8.35	7.70	5.70	5.70	5.70	5.70	5.70
Hilliar - Centerburg Village	5.80	8.30	7.80	7.30	6.95	6.30	4.30	4.30	4.30	4.30	4.30
Howard	3.40	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	2.10	3.60	3.60	3.60	3.60	3.60
Jefferson	4.10	4.10	4.20	4.20	4.20	4.20	4.20	4.20	2.50	2.50	2.50
Liberty	4.10	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	4.50
Milford	3.70	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	3.90
Monroe	5.60	5.60	5.60	5.60	5.60	6.10	6.10	6.10	7.60	7.60	7.60
Morgan	4.90	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	0.30
Morris - Mount Vernon	3.50	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	2.50
Pike	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Pleasant	5.80	5.80	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Union	3.30	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	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	1.20
Wayne	2.50	2.50	2.50	2.50	2.50	3.80	3.80	3.80	3.80	3.80	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	1994 1995	1995 1996	1996 1997	1997 1998	1998 1999	1999 2000	2000 2001	2001 2002	2002 2003	2003 2004
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	0.60	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	0.80	0.70	0.70	0.65
Central Ohio Joint Fire District	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.50	5.50	5.50

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>
1995	\$797,534	\$665,080	83.39%
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%

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, 2004

	<u>Total Debt (a)</u>	<u>Unvoted Debt (b)</u>
Net Assessed Valuation	\$976,420,398	\$976,420,398
Legal Debt Limitation (%) (1)	2.35%	1.00%
Legal Debt Limitation (\$) (1)	22,910,510	9,764,204
Applicable County Debt Outstanding (2)	5,524,000	5,524,000
Less Applicable Debt		
Service Fund Amounts	<u>(709,423)</u>	<u>(709,423)</u>
Net Indebtedness Subject To Limitation	<u>4,814,577</u>	<u>4,814,577</u>
 Legal Debt Margin	 <u><u>\$18,095,933</u></u>	 <u><u>\$4,949,627</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 \$300,000,000

(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 EIGHT 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	3,440,636	0.52%	72.48
1998	47,473	675,423,003	3,575,000	245,613	3,329,387	0.49%	70.13
1999	47,473	701,692,107	3,455,000	260,826	3,194,174	0.46%	67.28
2000	54,500	819,095,981	3,335,000	498,148	2,836,852	0.35%	52.05
2001	54,500	863,221,722	11,435,000	578,365	10,856,635	1.26%	199.20
2002	54,500	843,678,684	12,385,000	635,439	11,749,561	1.39%	215.59
2003	54,500	960,084,059	11,910,000	654,049	11,255,951	1.17%	206.53
2004	54,500	976,420,398	11,420,000	709,423	10,710,577	1.10%	196.52

(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 SEVEN 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%

Knox County did not have any General Obligation Debt from 1995-1997. 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, 2004

<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	\$10,830,577	100%	\$10,830,577
All Townships wholly within County	418,835	100%	418,835
All Cities wholly within County	230,095	100%	230,095
All School Districts wholly within County	17,647,000	100%	17,647,000
Clear Fork School District	<u>7,880,474</u>	6.40%	<u>504,350</u>
Totals	<u><u>37,006,981</u></u>		<u><u>29,630,857</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 2004 collection year

Source: Knox County Auditor

KNOX COUNTY, OHIO

DEMOGRAPHIC STATISTICS DECEMBER 31, 2004

Annual Average Unemployment Rates		Employment - 2004 Annual Averages		Employment by Sector, 2001		
				Number	Percent	
2004	4.6%	Total Civilian Labor Force	27,400	Manufacturing	4,476	25.21%
2003	5.3%	Total Employed	26,100	Wholesale and Retail Trade	2,443	13.76%
2002	6.7%	Total Unemployed	1,300	Services	6,296	35.46%
2001	4.9%	Unemployment Rate	4.7%	State and Local Government	2,760	15.54%
2000	5.3%			Finance, Insurance, Real Estate	528	2.97%
1999	4.2%			Transportation and Public Utilities	264	1.49%
1998	5.5%			Construction	777	4.38%
1997	4.4%			Agriculture, Forestry, Fisheries and Mining	212	1.19%
1996	5.1%			Total	17,756	100.00%
1995	5.7%					

Year	Population	Public School Enrollment *
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
1995	48,478	8,121

(Continued)

KNOX COUNTY, OHIO

DEMOGRAPHIC STATISTICS DECEMBER 31, 2004

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
1995	\$8,217,950	\$2,114,250	\$10,332,200	\$385,303,000	\$348,629,140	\$63,948,790	\$269,140	\$62,380,750
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

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

KNOX COUNTY, OHIO

TEN PRINCIPAL TAXPAYERS DECEMBER 31, 2004

	<u>Taxpayer</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
1.	Rolls Royce Energy Systems	Business	\$26,147,420	2.67%
2.	Ohio Power Company	Public Utility	16,085,260	1.65%
3.	Ariel Corporation	Business	9,658,380	0.99%
4.	United Telephone Company	Public Utility	8,509,340	0.87%
5.	FT Precision Inc	Business	7,697,880	0.79%
6.	Licking Rural Electrification	Public Utility	5,811,660	0.60%
7.	Weyerhaeuser Corporation	Business	5,707,610	0.58%
8.	Columbia Gas Transmission	Public Utility	4,854,280	0.50%
9.	Jeld-Wen Inc	Business	3,736,880	0.38%
10.	Knox County Commissioners	Government	3,607,040	0.37%
		Subtotal	91,815,750	9.40%
		All Other	884,604,948	90.60%
	Total		\$976,420,698	100.00%

Source: Knox County Auditor's Office

KNOX COUNTY, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2004

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
1,082 exemptions granted, average reduction
in taxable value \$3,912

Road Mileage (1)

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

Manufactured Homes
1,208 manufactured homes, taxable value \$4,706,920

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 2004 (2)

Number of Registered Voters	36,972
Number of Voters, Last General Election	27,302
Percentage of Registered Voters Voting	74%

Knox County covers 334,720 acres.
254,226 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
JULY 18, 2005**