

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2009

KNOX COUNTY, INDIANA



FILED

09/30/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sharon K. Duke	01-01-07 to 12-31-10
Treasurer	Cendy Joslin	01-01-09 to 12-31-12
Clerk	Lisa Clark-Benock	01-01-08 to 12-31-11
Sheriff	Stephen P. Luce Michael Morris	01-01-07 to 01-31-09 02-01-09 to 12-31-10
Recorder	Brenda Hall	01-01-08 to 12-31-11
President of the Board of County Commissioners	James Parish	01-01-09 to 12-31-10
President of the County Council	Timothy Ellerman	01-01-09 to 12-31-10



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Knox County (County), as of and for the year ended December 31, 2009, 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 obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include a number of component units of the County which should have been included to fairly present the financial position of the County.

In our opinion, based on our audit and the reports of other auditors, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 15, 2010, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis, Schedule of Contributions From the Employer and Other Contributing Entities, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 22, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Knox County (County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 22, 2010. The opinions to the financial statements were qualified due to the omission of component units resulting in incomplete presentation. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management, County Council, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 22, 2010

KNOX COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 10,514,494	\$ 384,259	\$ 15,000	\$ -	\$ (10,115,235)
Public safety	4,966,671	2,382,087	131,545	-	(2,453,039)
Highways and streets	3,603,898	-	1,191,526	284,064	(2,128,308)
Sanitation	1,220,428	1,068	-	-	(1,219,360)
Health and welfare	2,099,966	172,821	722,852	-	(1,204,293)
Economic development	932,109	-	-	-	(932,109)
Culture and recreation	610,577	69,019	2,702	-	(538,856)
	<u>\$ 23,948,143</u>	<u>\$ 3,009,254</u>	<u>\$ 2,063,625</u>	<u>\$ 284,064</u>	<u>(18,591,200)</u>
Total governmental activities					
General receipts:					
Property taxes					17,362,596
Intergovernmental					4,455,006
Miscellaneous revenues					2,374,491
Grants and contributions not restricted to specific programs					16,326
Investment earnings					158,486
					<u>24,366,905</u>
					Change in net assets 5,775,705
					Net assets - beginning 20,673,836
					Net assets - ending \$ 26,449,541
 <u>Assets</u>					
Cash and investments					\$ 4,626,197
Restricted assets:					
Cash and investments					21,823,344
Total assets					\$ 26,449,541
 <u>Net Assets</u>					
Restricted for:					
General government					\$ 9,697,245
Public safety					7,798,008
Highways and streets					1,203,635
Health and welfare					344,173
Culture and recreation					202,612
Capital outlay					2,577,671
Unrestricted					4,626,197
Total net assets					\$ 26,449,541

The notes to the financial statements are an integral part of this statement.

KNOX COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General	County Economic Development Income Tax	Rainy Day	County Option Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 8,671,367	\$ 892,542	\$ 482,563	\$ 1,735,418	\$ 5,580,706	\$ 17,362,596
Special assessments	673	-	-	-	12,358	13,031
Licenses and permits	-	-	-	-	78,176	78,176
Intergovernmental	1,205,663	-	-	-	3,249,343	4,455,006
Charges for services	228,744	-	-	-	1,601,211	1,829,955
Fines and forfeits	264,252	-	-	-	1,051,998	1,316,250
Other	137,020	-	45,962	-	180,764	363,746
Total receipts	10,507,719	892,542	528,525	1,735,418	11,754,556	25,418,760
Disbursements:						
General government	4,980,773	769,072	387,301	1,034,251	3,089,262	10,260,659
Public safety	1,878,126	-	-	-	3,053,226	4,931,352
Highways and streets	-	-	-	-	3,034,662	3,034,662
Sanitation	-	-	-	-	1,219,790	1,219,790
Health and welfare	-	-	-	-	2,098,466	2,098,466
Economic development	-	-	-	-	109	109
Culture and recreation	-	-	-	-	583,905	583,905
Capital outlay:						
General government	138,610	-	-	-	115,225	253,835
Public safety	18,409	-	-	-	16,910	35,319
Highways and streets	-	-	-	-	569,236	569,236
Sanitation	-	-	-	-	638	638
Health and welfare	-	-	-	-	1,500	1,500
Economic development	-	-	-	-	932,000	932,000
Culture and recreation	-	-	-	-	26,672	26,672
Total disbursements	7,015,918	769,072	387,301	1,034,251	14,741,601	23,948,143
Excess (deficiency) of receipts over disbursements	3,491,801	123,470	141,224	701,167	(2,987,045)	1,470,617
Other financing sources (uses):						
Other receipts	226,080	12,194	1,121,000	-	2,860,906	4,220,180
Total other financing sources (uses)	226,080	12,194	1,121,000	-	2,860,906	4,220,180
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,717,881	135,664	1,262,224	701,167	(126,139)	5,690,797
Cash and investment fund balance - beginning	867,006	2,470,726	2,773,580	4,702,128	9,903,994	20,717,434
Cash and investment fund balance - ending	<u>\$ 4,584,887</u>	<u>\$ 2,606,390</u>	<u>\$ 4,035,804</u>	<u>\$ 5,403,295</u>	<u>\$ 9,777,855</u>	26,408,231
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						41,310
Net assets of governmental activities						<u>\$ 26,449,541</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,584,887	\$ -	\$ -	\$ -	\$ -	\$ 4,584,887
Restricted assets:						
Cash and investments	-	2,606,390	4,035,804	5,403,295	9,777,855	21,823,344
Total cash and investment assets - ending	\$ 4,584,887	\$ 2,606,390	\$ 4,035,804	\$ 5,403,295	\$ 9,777,855	\$ 26,408,231
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ 2,606,390	\$ 4,035,804	\$ -	\$ 3,052,449	\$ 9,694,643
Public safety	-	-	-	5,403,295	2,394,713	7,798,008
Highways and streets	-	-	-	-	1,203,635	1,203,635
Health and welfare	-	-	-	-	346,775	346,775
Culture and recreation	-	-	-	-	202,612	202,612
Capital outlay	-	-	-	-	2,577,671	2,577,671
Unrestricted	4,584,887	-	-	-	-	4,584,887
Total cash and investment fund balance - ending	\$ 4,584,887	\$ 2,606,390	\$ 4,035,804	\$ 5,403,295	\$ 9,777,855	\$ 26,408,231

The notes to the financial statements are an integral part of this statement.

KNOX COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2009

	Internal Service Fund
Operating receipts:	
Other	\$ 3,338,724
Operating disbursements:	
Insurance disbursements	3,253,816
Excess of operating receipts over operating disbursements	84,908
Cash and investment fund balance - beginning	(43,598)
Cash and investment fund balance - ending	\$ 41,310
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	\$ 41,310
<u>Cash and Investment Fund Balance - December 31</u>	
Unrestricted	\$ 41,310

The notes to the financial statements are an integral part of this statement.

KNOX COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 130,911	\$ -	
Plan members	11,245	-	
Total contributions	142,156	-	
Investment earnings:			
Interest	33,506	-	
Dividends	1,057	-	
Total investment earnings	34,563	-	
Total additions	176,719	-	
Deductions:			
Benefits	92,647	-	
Administrative and general	94,547	-	
Total deductions	187,194	-	
Deficiency of total additions over total deductions	(10,475)	-	
Cash and investment fund balance - beginning	1,303,074	42,656	
Cash and investment fund balance - ending	\$ 1,292,599	\$ 42,656	\$ 2,560,134

The notes to the financial statements are an integral part of this statement.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The County's financial reporting entity is composed of the following:

Primary Government:	Knox County
Discretely Presented Component Unit:	Good Samaritan Hospital

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The Good Samaritan Hospital has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The discretely presented component units are presented below:

Good Samaritan Hospital: It would be misleading to exclude the Good Samaritan Hospital from the County's financial statements because of its relationship with the County.

Joint Venture

The County is a participant in a joint venture to operate Knox County Redevelopment Corporation which was created to obtain and maintain new industry in Knox County. The County is obligated by contract to remit \$177,000 annually to supplement the Knox County Redevelopment Corporation. Complete financial statements for the Knox County Redevelopment Corporation can be obtained from Knox County Development Corporation, 102 N. 3rd Street, Vincennes, IN 47591.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

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

The county economic development income tax fund receives all collections from the CEDIT taxes levied and collected on behalf of the County and redistributed by the state to the County. The money received may be used to pay any allowable expenses of the County related to economic development.

The rainy day fund is used to account for funds in accordance with IC 36-1-8-5.1 and a locally adopted resolution.

The county option income tax fund receives all collections from the COIT taxes levied and collected on behalf of the County and redistributed by the state to the County. The money received is used for all operating costs on behalf of the County Jail.

Additionally, the County reports the following fund types:

The internal service fund consists of the activities of the self-insurance fund which charges a premium to each fund that accounts for payroll.

The pension trust funds account for the activities of the county police retirement plan and the county police benefit plan, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the schools and individuals.

Agency funds account for assets held by the County as an agent for various other governmental units within the County and the State, and serve as control accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2009
Juvenile Accountability and Monitoring - FY 07	\$ 11,181
Juvenile Accountability and Monitoring - FY 09	37
Governor's Task Force Grant	3,664
Federal Grant #30	1,500
Federal Grant #31	1,500
Drug Seizure Fund	50,777
Victim Assistance	10,410
Sewage Collections	1,219

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimation of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

Deposits and Investments

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. All funds shall be deposited by the County Treasurer at an approved depository by the Knox County Board of Finance and the State of Indiana. At December 31, 2009, the County had deposit balances in the amount of \$20,956,179.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

As of December 31, 2009, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 78,956
U.S. agencies	276,502
Mutual bond funds	212,612
Corporate bonds	230,394
Corporate stock	384,295
	1,182,759
Total	\$ 1,182,759

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Statutory Authorization for Investments

IC 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the County and the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Not in the Government's Name
U.S. treasuries and securities	\$ 78,956
U.S. agencies	276,502
Mutual funds	212,612
Corporate bonds and notes	230,394
Corporate stocks	384,295
Total	\$ 1,182,759

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ -	\$ 78,956
U.S. agencies	-	-	276,502
Corporate bonds	61,812	34,365	134,217
Totals	\$ 61,812	\$ 34,365	\$ 489,675

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	County's Investments		
	Mutual Bond Funds	Corporate Bonds	Government Sponsored Enterprise
AAA	\$ -	\$ 105,361	\$ 275,825
AA	-	98,126	-
A	-	26,907	-
Unrated	212,612	-	79,633
Totals	\$ 212,612	\$ 230,394	\$ 355,458

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

IV. Other Information

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Knox County Benefit Fund, an internal service fund, where assets are set aside for claim settlements. The County purchases commercial insurance for claims in excess of coverage provided by the fund. Interfund premiums

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporations

The County has entered into a capital lease with Knox County Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2009 totaled \$138,000.

The County has entered into a capital lease with Knox County Jail Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year 2009 totaled \$932,000.

C. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

KNOX COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the County during the period were \$303,710.

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The contributions made by the County during the period were \$126,695.

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The contributions made by the County during the period were \$4,216.

D. Subsequent Event

A lawsuit has been filed against Knox County by the Estate of Quintell Brannan. The County has been in mediation with the plaintiff to possibly settle this claim prior to trial. If an out of court settlement cannot be reached, the suit is scheduled to go to trial in July 2011. The amount of settlement cannot be reasonably determined at this time.

KNOX COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 4,695,702	\$ 4,995,147	\$ (299,445)	94%	\$ 4,359,136	(7%)
07-01-08	5,236,316	5,648,019	(411,703)	93%	4,335,319	(9%)
07-01-09	4,574,876	5,621,458	(1,046,582)	81%	4,522,273	(23%)

County Police Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-08	\$ 1,292,539	\$ 1,533,268	\$ (240,729)	84%	\$ 389,955	(62%)
01-01-09	1,264,139	1,658,261	(394,122)	76%	393,302	(100%)
01-01-10	1,345,478	1,716,037	(370,559)	78%	420,543	(88%)

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009

	Local Road And Street	Accident Report	Firearms Training	Park Nonreverting Operating	Health	Alcohol And Drug Services	Supplemental Juvenile Probation
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	78,176	-	-
Intergovernmental	284,064	-	-	2,702	-	-	-
Charges for services	13,200	256	-	67,619	89,617	-	1,746
Fines and forfeits	-	-	16,470	-	-	82,082	-
Other	-	-	-	-	732	-	-
Total receipts	297,264	256	16,470	70,321	168,525	82,082	1,746
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	13,264	-	-	82,484	-
Highways and streets	509,277	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	273,423	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	41,582	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	747	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	1,500	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	509,277	-	13,264	41,582	274,923	83,231	-
Excess (deficiency) of receipts over disbursements	(212,013)	256	3,206	28,739	(106,398)	(1,149)	1,746
Other financing sources:							
Other receipts	335,200	-	-	-	12	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	123,187	256	3,206	28,739	(106,386)	(1,149)	1,746
Cash and investment fund balance - beginning	137,875	2,120	5,442	58,851	307,166	69,435	3,454
Cash and investment fund balance - ending	<u>\$ 261,062</u>	<u>\$ 2,376</u>	<u>\$ 8,648</u>	<u>\$ 87,590</u>	<u>\$ 200,780</u>	<u>\$ 68,286</u>	<u>\$ 5,200</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	261,062	2,376	8,648	87,590	200,780	68,286	5,200
Total cash and investment assets - ending	<u>\$ 261,062</u>	<u>\$ 2,376</u>	<u>\$ 8,648</u>	<u>\$ 87,590</u>	<u>\$ 200,780</u>	<u>\$ 68,286</u>	<u>\$ 5,200</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	2,376	8,648	-	-	68,286	5,200
Highways and streets	261,062	-	-	-	-	-	-
Health and welfare	-	-	-	-	200,780	-	-
Culture and recreation	-	-	-	87,590	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 261,062</u>	<u>\$ 2,376</u>	<u>\$ 8,648</u>	<u>\$ 87,590</u>	<u>\$ 200,780</u>	<u>\$ 68,286</u>	<u>\$ 5,200</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Area Plan Commission	Landfill Site	County Identity Security Program	Van-Go	Clerk's Records Perpetuation	Prosecutor's Users Fees
Receipts:						
Taxes	\$ 130,264	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	13,830	-	-	336,177	-	-
Charges for services	6,400	-	13,490	-	-	-
Fines and forfeits	-	-	-	-	20,832	208,439
Other	-	-	-	-	-	-
Total receipts	150,494	-	13,490	336,177	20,832	208,439
Disbursements:						
General government	84,939	-	-	336,177	-	-
Public safety	-	-	11,810	-	-	141,225
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	368	-	-	-	-	-
Public safety	-	-	-	-	-	15,154
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	85,307	-	11,810	336,177	-	156,379
Excess (deficiency) of receipts over disbursements	65,187	-	1,680	-	20,832	52,060
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	65,187	-	1,680	-	20,832	52,060
Cash and investment fund balance - beginning	92,294	1,524	38,137	-	68,062	383,705
Cash and investment fund balance - ending	157,481	1,524	39,817	-	88,894	435,765
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	157,481	1,524	39,817	-	88,894	435,765
Total cash and investment assets - ending	157,481	1,524	39,817	-	88,894	435,765
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ 157,481	\$ -	\$ -	\$ -	\$ 88,894	\$ -
Public safety	-	-	39,817	-	-	435,765
Highways and streets	-	-	-	-	-	-
Health and welfare	-	1,524	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	157,481	1,524	39,817	-	88,894	435,765

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Riverboat	Operation Pull Over - Equipment Grant	E-911 Wireless Enhanced	Drug Free Community	Emergency Planning/Right To Know	Convention And Tourism
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,501
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	87,149	500	-	-	-	-
Charges for services	-	-	144,382	-	-	-
Fines and forfeits	-	-	-	22,908	-	-
Other	-	-	-	-	-	-
Total receipts	87,149	500	144,382	22,908	-	278,501
Disbursements:						
General government	73,642	500	-	-	-	-
Public safety	-	-	834,311	30,000	6,819	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	269,430
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	1,009	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	73,642	500	835,320	30,000	6,819	269,430
Excess (deficiency) of receipts over disbursements	13,507	-	(690,938)	(7,092)	(6,819)	9,071
Other financing sources:						
Other receipts	-	-	720,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,507	-	29,062	(7,092)	(6,819)	9,071
Cash and investment fund balance - beginning	182,314	-	23,834	23,246	12,778	66,431
Cash and investment fund balance - ending	<u>\$ 195,821</u>	<u>\$ -</u>	<u>\$ 52,896</u>	<u>\$ 16,154</u>	<u>\$ 5,959</u>	<u>\$ 75,502</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	195,821	-	52,896	16,154	5,959	75,502
Total cash and investment assets - ending	<u>\$ 195,821</u>	<u>\$ -</u>	<u>\$ 52,896</u>	<u>\$ 16,154</u>	<u>\$ 5,959</u>	<u>\$ 75,502</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ 195,821	\$ -	\$ -	\$ -	\$ -	\$ 75,502
Public safety	-	-	52,896	16,154	5,959	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 195,821</u>	<u>\$ -</u>	<u>\$ 52,896</u>	<u>\$ 16,154</u>	<u>\$ 5,959</u>	<u>\$ 75,502</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	County Highway	Parks And Recreation	Property Reassessment	Prosecutor Title IV-D	Juvenile Probation Services	Adult Probation Services
Receipts:						
Taxes	\$ -	\$ 176,196	\$ 288,699	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	763,412	19,487	30,604	16,664	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	7,731	164,656
Other	2,139	-	41,030	-	-	-
Total receipts	765,551	195,683	360,333	16,664	7,731	164,656
Disbursements:						
General government	-	-	310,724	-	-	-
Public safety	-	-	-	-	2,309	130,825
Highways and streets	2,226,850	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	4,709	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	272,893	-	-	-	-
Capital outlay:						
General government	-	-	28,034	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	207,661	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	26,672	-	-	-	-
Total disbursements	2,434,511	299,565	338,758	4,709	2,309	130,825
Excess (deficiency) of receipts over disbursements	(1,668,960)	(103,882)	21,575	11,955	5,422	33,831
Other financing sources:						
Other receipts	1,556,384	-	1,610	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,576)	(103,882)	23,185	11,955	5,422	33,831
Cash and investment fund balance - beginning	673,537	193,292	1,386,919	1,312	30,436	14,352
Cash and investment fund balance - ending	\$ 560,961	\$ 89,410	\$ 1,410,104	\$ 13,267	\$ 35,858	\$ 48,183
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	560,961	89,410	1,410,104	13,267	35,858	48,183
Total cash and investment assets - ending	\$ 560,961	\$ 89,410	\$ 1,410,104	\$ 13,267	\$ 35,858	\$ 48,183
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 1,410,104	\$ -	\$ -	\$ -
Public safety	-	-	-	13,267	35,858	48,183
Highways and streets	560,961	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	89,410	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 560,961	\$ 89,410	\$ 1,410,104	\$ 13,267	\$ 35,858	\$ 48,183

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Supplemental Adult Probation	Recorder's Records Perpetuation	Family And Children	Health Maintenance	Pretrial Diversion	Solid Waste Planning
Receipts:						
Taxes	\$ -	\$ -	\$ 674,987	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	77,046	33,139	-	-
Charges for services	22,284	87,407	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	4,746	-	-	99,938
Total receipts	22,284	87,407	756,779	33,139	-	99,938
Disbursements:						
General government	-	51,968	-	-	-	-
Public safety	139,950	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	98,790
Health and welfare	-	-	1,695,159	29,040	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	139,950	51,968	1,695,159	29,040	-	98,790
Excess (deficiency) of receipts over disbursements	(117,666)	35,439	(938,380)	4,099	-	1,148
Other financing sources:						
Other receipts	-	160	118,975	500	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(117,666)	35,599	(819,405)	4,599	-	1,148
Cash and investment fund balance - beginning	130,571	104,921	819,405	27,928	4,086	8,626
Cash and investment fund balance - ending	<u>\$ 12,905</u>	<u>\$ 140,520</u>	<u>\$ -</u>	<u>\$ 32,527</u>	<u>\$ 4,086</u>	<u>\$ 9,774</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	12,905	140,520	-	32,527	4,086	9,774
Total cash and investment assets - ending	<u>\$ 12,905</u>	<u>\$ 140,520</u>	<u>\$ -</u>	<u>\$ 32,527</u>	<u>\$ 4,086</u>	<u>\$ 9,774</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 140,520	\$ -	\$ -	\$ -	\$ -
Public safety	12,905	-	-	-	4,086	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	32,527	-	9,774
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 12,905</u>	<u>\$ 140,520</u>	<u>\$ -</u>	<u>\$ 32,527</u>	<u>\$ 4,086</u>	<u>\$ 9,774</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Guardian Ad Litem/Court	Court Appointed Special Advocate	Plat Book	Misdemeanant	Surveyor's Corner Perpetuation	DOC Prisoner Housing
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	10,000	-	-	57,385	-	-
Charges for services	-	-	-	-	7,251	530,704
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	10,000	-	-	57,385	7,251	530,704
Disbursements:						
General government	10,000	-	-	-	-	-
Public safety	-	-	-	26,495	-	13,755
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	10,000	-	-	26,495	-	13,755
Excess (deficiency) of receipts over disbursements	-	-	-	30,890	7,251	516,949
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	30,890	7,251	516,949
Cash and investment fund balance - beginning	-	1,832	5,427	12,893	14,516	556,688
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,832</u>	<u>\$ 5,427</u>	<u>\$ 43,783</u>	<u>\$ 21,767</u>	<u>\$ 1,073,637</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	1,832	5,427	43,783	21,767	1,073,637
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,832</u>	<u>\$ 5,427</u>	<u>\$ 43,783</u>	<u>\$ 21,767</u>	<u>\$ 1,073,637</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ 1,832	\$ 5,427	\$ -	\$ 21,767	\$ -
Public safety	-	-	-	43,783	-	1,073,637
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,832</u>	<u>\$ 5,427</u>	<u>\$ 43,783</u>	<u>\$ 21,767</u>	<u>\$ 1,073,637</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Sheriff Donation Fund	Inmate Workforce Donation	Governor's Task Force Grant	Health Bioterrorism Grant	Home Management Grant	Juvenile Accountability and Monitoring - FY 09
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	19,998	-	10,034
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	9,690	-	-	-	-	-
Total receipts	9,690	-	-	19,998	-	10,034
Disbursements:						
General government	9,232	989	6,293	13,164	-	8,373
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	13,399	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	9,232	989	6,293	26,563	-	8,373
Excess (deficiency) of receipts over disbursements	458	(989)	(6,293)	(6,565)	-	1,661
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	458	(989)	(6,293)	(6,565)	-	1,661
Cash and investment fund balance - beginning	3,328	989	6,293	6,778	1	(1,698)
Cash and investment fund balance - ending	<u>\$ 3,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ 1</u>	<u>\$ (37)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	3,786	-	-	213	1	(37)
Total cash and investment assets - ending	<u>\$ 3,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ 1</u>	<u>\$ (37)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
Public safety	3,786	-	-	-	-	(37)
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	213	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 3,786</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ 1</u>	<u>\$ (37)</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Van-Go Freedom Grant	Proslink Implementation Project	Grant, Misc	Knox County Law Enforcement	Drug Abuse Interdiction	Childrens Psychiatric Services
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,125
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	91,937	-	-	-	-	2,982
Charges for services	-	-	-	-	9,442	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	91,937	-	-	-	9,442	29,107
Disbursements:						
General government	116,195	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	70,568
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	116,195	-	-	-	-	70,568
Excess (deficiency) of receipts over disbursements	(24,258)	-	-	-	9,442	(41,461)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,258)	-	-	-	9,442	(41,461)
Cash and investment fund balance - beginning	24,258	2,496	260	175	85,132	41,461
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,496</u>	<u>\$ 260</u>	<u>\$ 175</u>	<u>\$ 94,574</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	2,496	260	175	94,574	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 2,496</u>	<u>\$ 260</u>	<u>\$ 175</u>	<u>\$ 94,574</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 2,496	\$ 260	\$ -	\$ -	\$ -
Public safety	-	-	-	175	94,574	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,496</u>	<u>\$ 260</u>	<u>\$ 175</u>	<u>\$ 94,574</u>	<u>\$ -</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Project Income	Hazardous Substance Response	Criminal Justice Institute Grant	Dare	Tobacco Settlement	Knox County Pandemic Assessment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	3,000	23,259	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	509,245	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	509,245	-	-	3,000	23,259	-
Disbursements:						
General government	519,410	-	-	-	-	-
Public safety	-	-	-	825	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	15,261	1,614
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	680	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	520,090	-	-	825	15,261	1,614
Excess (deficiency) of receipts over disbursements	(10,845)	-	-	2,175	7,998	(1,614)
Other financing sources:						
Other receipts	1,757	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,088)	-	-	2,175	7,998	(1,614)
Cash and investment fund balance - beginning	96,227	276	1,517	3,577	20,491	1,614
Cash and investment fund balance - ending	<u>\$ 87,139</u>	<u>\$ 276</u>	<u>\$ 1,517</u>	<u>\$ 5,752</u>	<u>\$ 28,489</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	87,139	276	1,517	5,752	28,489	-
Total cash and investment assets - ending	<u>\$ 87,139</u>	<u>\$ 276</u>	<u>\$ 1,517</u>	<u>\$ 5,752</u>	<u>\$ 28,489</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	87,139	-	1,517	5,752	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	276	-	-	28,489	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 87,139</u>	<u>\$ 276</u>	<u>\$ 1,517</u>	<u>\$ 5,752</u>	<u>\$ 28,489</u>	<u>\$ -</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Seized Assets	Community Corrections	Probation- LLC	Disaster Public Assistance	EMS Grant	Excess Welfare
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126,576
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	594,342	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	3,000	-	-	-
Total receipts	-	594,342	3,000	-	-	1,126,576
Disbursements:						
General government	-	298,425	-	-	-	2,974
Public safety	-	983,885	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	1,121,000
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	1,282,310	-	-	-	1,123,974
Excess (deficiency) of receipts over disbursements	-	(687,968)	3,000	-	-	2,602
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(687,968)	3,000	-	-	2,602
Cash and investment fund balance - beginning	(50,777)	718,137	101	1,142	2	-
Cash and investment fund balance - ending	<u>\$ (50,777)</u>	<u>\$ 30,169</u>	<u>\$ 3,101</u>	<u>\$ 1,142</u>	<u>\$ 2</u>	<u>\$ 2,602</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	(50,777)	30,169	3,101	1,142	2	2,602
Total cash and investment assets - ending	<u>\$ (50,777)</u>	<u>\$ 30,169</u>	<u>\$ 3,101</u>	<u>\$ 1,142</u>	<u>\$ 2</u>	<u>\$ 2,602</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	-	-	-	-	-
Public safety	(50,777)	30,169	3,101	-	2	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	1,142	-	2,602
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ (50,777)</u>	<u>\$ 30,169</u>	<u>\$ 3,101</u>	<u>\$ 1,142</u>	<u>\$ 2</u>	<u>\$ 2,602</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Homeland Security	Emergency Gas Award	Federal Grants #24	Life After Meth	Juvenile Accountability and Monitoring - FY 07	Freelandville Wastewater Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	66,412	-	-	15,000	5,115	3,350
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	66,412	-	-	15,000	5,115	3,350
Disbursements:						
General government	3,850	-	-	15,000	16,296	1,675
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	62,562	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	66,412	-	-	15,000	16,296	1,675
Excess (deficiency) of receipts over disbursements	-	-	-	-	(11,181)	1,675
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(11,181)	1,675
Cash and investment fund balance - beginning	-	450	50	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (11,181)</u>	<u>\$ 1,675</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	450	50	-	(11,181)	1,675
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (11,181)</u>	<u>\$ 1,675</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -
Public safety	-	450	-	-	(11,181)	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,675
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ (11,181)</u>	<u>\$ 1,675</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Emergency Preparedness Grant	Recovery Act- JAG Project	Federal Grants #30	Adult Protective Services	Collection Agency Fees	Circuit Court Bail
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	39,114	20,157	-	-	-	-
Charges for services	-	-	-	-	11,640	-
Fines and forfeits	-	-	-	-	-	1,780
Other	-	-	-	-	-	-
Total receipts	39,114	20,157	-	-	11,640	1,780
Disbursements:						
General government	15,172	9,975	1,500	-	6,660	8,292
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	10,182	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	15,172	20,157	1,500	-	6,660	8,292
Excess (deficiency) of receipts over disbursements	23,942	-	(1,500)	-	4,980	(6,512)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,942	-	(1,500)	-	4,980	(6,512)
Cash and investment fund balance - beginning	-	-	-	11,450	-	17,169
Cash and investment fund balance - ending	<u>\$ 23,942</u>	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>\$ 11,450</u>	<u>\$ 4,980</u>	<u>\$ 10,657</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	23,942	-	(1,500)	11,450	4,980	10,657
Total cash and investment assets - ending	<u>\$ 23,942</u>	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>\$ 11,450</u>	<u>\$ 4,980</u>	<u>\$ 10,657</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ (1,500)	\$ -	\$ 4,980	\$ -
Public safety	23,942	-	-	11,450	-	10,657
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 23,942</u>	<u>\$ -</u>	<u>\$ (1,500)</u>	<u>\$ 11,450</u>	<u>\$ 4,980</u>	<u>\$ 10,657</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Superior Court Bail	Superior Court Two Bail	Superior Court Group Home	Drug Task Force	WRV Drug Task Force	Solid Waste Fees Auditor
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	1,800	16,055	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	1,800	16,055	-	-	-	-
Disbursements:						
General government	500	15,439	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	500	15,439	-	-	-	-
Excess (deficiency) of receipts over disbursements	1,300	616	-	-	-	-
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,300	616	-	-	-	-
Cash and investment fund balance - beginning	7,922	87,224	500	670	2	10,706
Cash and investment fund balance - ending	9,222	87,840	500	670	2	10,706
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	9,222	87,840	500	670	2	10,706
Total cash and investment assets - ending	9,222	87,840	500	670	2	10,706
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	9,222	87,840	500	670	2	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	10,706
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	9,222	87,840	500	670	2	10,706

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Solid Waste Fees Treasurer	Drainage Maintenance	Federal Grants #31	Operation Pull Over	Major Moves Construction	Title 10K
Receipts:						
Taxes	\$ -	\$ 634,015	\$ -	\$ -	\$ -	\$ -
Special assessments	-	12,358	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	4,691	-	1,381
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	4,240	-	-	14,752	-
Total receipts	-	650,613	-	4,691	14,752	1,381
Disbursements:						
General government	-	600,923	1,500	4,283	-	9,930
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	216,879	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	638	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	638	600,923	1,500	4,283	216,879	9,930
Excess (deficiency) of receipts over disbursements	(638)	49,690	(1,500)	408	(202,127)	(8,549)
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(638)	49,690	(1,500)	408	(202,127)	(8,549)
Cash and investment fund balance - beginning	4,331	598,208	-	-	583,739	8,549
Cash and investment fund balance - ending	<u>3,693</u>	<u>647,896</u>	<u>(1,500)</u>	<u>408</u>	<u>381,612</u>	<u>-</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>3,693</u>	<u>647,896</u>	<u>(1,500)</u>	<u>408</u>	<u>381,612</u>	<u>-</u>
Total cash and investment assets - ending	<u>3,693</u>	<u>647,896</u>	<u>(1,500)</u>	<u>408</u>	<u>381,612</u>	<u>-</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	647,896	\$ (1,500)	\$ -	\$ -	\$ -
Public safety	-	-	-	408	-	-
Highways and streets	-	-	-	-	381,612	-
Health and welfare	3,693	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>3,693</u>	<u>647,896</u>	<u>(1,500)</u>	<u>408</u>	<u>381,612</u>	<u>-</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Enhanced 911	Governors Task Force	Cumulative Bridge	Park and Recreation Non-Reverting	ISETS Incentive	Insurance Settlement
Receipts:						
Taxes	\$ -	\$ -	\$ 519,129	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	55,226	-	16,402	-
Charges for services	339,276	-	-	1,400	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	339,276	-	574,355	1,400	16,402	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	427,279	-	-	-	-	-
Highways and streets	-	-	81,656	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	8,692	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	361,575	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	427,279	-	443,231	-	8,692	-
Excess (deficiency) of receipts over disbursements	(88,003)	-	131,124	1,400	7,710	-
Other financing sources:						
Other receipts	34,057	-	92,251	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(53,946)	-	223,375	1,400	7,710	-
Cash and investment fund balance - beginning	66,785	(3,664)	392,319	24,212	45,664	263,784
Cash and investment fund balance - ending	<u>\$ 12,839</u>	<u>\$ (3,664)</u>	<u>\$ 615,694</u>	<u>\$ 25,612</u>	<u>\$ 53,374</u>	<u>\$ 263,784</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	12,839	(3,664)	615,694	25,612	53,374	263,784
Total cash and investment assets - ending	<u>\$ 12,839</u>	<u>\$ (3,664)</u>	<u>\$ 615,694</u>	<u>\$ 25,612</u>	<u>\$ 53,374</u>	<u>\$ 263,784</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ (3,664)	\$ -	\$ -	\$ -	\$ 263,784
Public safety	12,839	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	53,374	-
Culture and recreation	-	-	-	25,612	-	-
Capital outlay	-	-	615,694	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 12,839</u>	<u>\$ (3,664)</u>	<u>\$ 615,694</u>	<u>\$ 25,612</u>	<u>\$ 53,374</u>	<u>\$ 263,784</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Homestead Credit 1001-2008	Homestead Credit Rebate	County Fees	Probation Home Monitoring	IDACS E-911	Civil War Monument Restoration
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	497,608	-	21,439	-	4,000	-
Charges for services	-	-	-	255,097	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	497
Total receipts	497,608	-	21,439	255,097	4,000	497
Disbursements:						
General government	502,402	553	20,746	-	-	-
Public safety	-	-	-	184,786	4,316	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	502,402	553	20,746	184,786	4,316	-
Excess (deficiency) of receipts over disbursements	(4,794)	(553)	693	70,311	(316)	497
Other financing sources:						
Other receipts	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,794)	(553)	693	70,311	(316)	497
Cash and investment fund balance - beginning	6,606	30,991	7,325	145,013	992	1,533
Cash and investment fund balance - ending	<u>1,812</u>	<u>30,438</u>	<u>8,018</u>	<u>215,324</u>	<u>676</u>	<u>2,030</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>1,812</u>	<u>30,438</u>	<u>8,018</u>	<u>215,324</u>	<u>676</u>	<u>2,030</u>
Total cash and investment assets - ending	<u>1,812</u>	<u>30,438</u>	<u>8,018</u>	<u>215,324</u>	<u>676</u>	<u>2,030</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ 1,812	\$ 30,438	\$ 8,018	\$ -	\$ -	\$ 2,030
Public safety	-	-	-	215,324	676	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>1,812</u>	<u>30,438</u>	<u>8,018</u>	<u>215,324</u>	<u>676</u>	<u>2,030</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Victim Assistance	Harbor House	Sheriff's Commissary	CEDIT - New Jail	North Knox Wastewater Planning Grant	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 1,726,214	\$ -	\$ 5,580,706
Special assessments	-	-	-	-	-	12,358
Licenses and permits	-	-	-	-	-	78,176
Intergovernmental	21,737	-	-	-	-	3,249,343
Charges for services	-	-	-	-	-	1,601,211
Fines and forfeits	-	-	-	-	-	1,051,998
Other	-	-	-	-	-	180,764
Total receipts	21,737	-	-	1,726,214	-	11,754,556
Disbursements:						
General government	-	-	11,561	-	-	3,089,262
Public safety	18,888	-	-	-	-	3,053,226
Highways and streets	-	-	-	-	-	3,034,662
Sanitation	-	-	-	-	-	1,219,790
Health and welfare	-	-	-	-	-	2,098,466
Economic development	-	-	-	109	-	109
Culture and recreation	-	-	-	-	-	583,905
Capital outlay:						
General government	-	-	-	-	-	115,225
Public safety	-	-	-	-	-	16,910
Highways and streets	-	-	-	-	-	569,236
Sanitation	-	-	-	-	-	638
Health and welfare	-	-	-	-	-	1,500
Economic development	-	-	-	932,000	-	932,000
Culture and recreation	-	-	-	-	-	26,672
Total disbursements	18,888	-	11,561	932,109	-	14,741,601
Excess (deficiency) of receipts over disbursements	<u>2,849</u>	<u>-</u>	<u>(11,561)</u>	<u>794,105</u>	<u>-</u>	<u>(2,987,045)</u>
Other financing sources: Other receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,860,906</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,849</u>	<u>-</u>	<u>(11,561)</u>	<u>794,105</u>	<u>-</u>	<u>(126,139)</u>
Cash and investment fund balance - beginning	<u>(13,259)</u>	<u>103</u>	<u>11,561</u>	<u>1,167,449</u>	<u>423</u>	<u>9,903,994</u>
Cash and investment fund balance - ending	<u><u>\$ (10,410)</u></u>	<u><u>\$ 103</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,961,554</u></u>	<u><u>\$ 423</u></u>	<u><u>\$ 9,777,855</u></u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>(10,410)</u>	<u>103</u>	<u>-</u>	<u>1,961,554</u>	<u>423</u>	<u>9,777,855</u>
Total cash and investment assets - ending	<u><u>\$ (10,410)</u></u>	<u><u>\$ 103</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,961,554</u></u>	<u><u>\$ 423</u></u>	<u><u>\$ 9,777,855</u></u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,052,449
Public safety	(10,410)	103	-	-	-	2,394,713
Highways and streets	-	-	-	-	-	1,203,635
Health and welfare	-	-	-	-	-	346,775
Culture and recreation	-	-	-	-	-	202,612
Capital outlay	-	-	-	1,961,554	423	2,577,671
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment fund balance - ending	<u><u>\$ (10,410)</u></u>	<u><u>\$ 103</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,961,554</u></u>	<u><u>\$ 423</u></u>	<u><u>\$ 9,777,855</u></u>

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2009

	Congressional School Principal	Emison Gift	Totals
Additions:			
Contributions:			
Other	\$ -	\$ -	\$ -
Total contributions	-	-	-
Investment earnings:			
Interest	-	-	-
Dividends	-	-	-
Total investment earnings	-	-	-
Less investment disbursements	-	-	-
Net investment earnings	-	-	-
Total additions	-	-	-
Deductions:			
Benefits	-	-	-
Refunds of contributions	-	-	-
Administrative and general	-	-	-
Total deductions	-	-	-
Excess (deficiency) of total additions over total deductions	-	-	-
Cash and investment fund balance - beginning	42,619	37	42,656
Cash and investment fund balance - ending	\$ 42,619	\$ 37	\$ 42,656

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	City And Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	State Disclosure Fees Funds	Inheritance Tax
Additions:						
Agency fund additions	\$ 25,770	\$ 1,737	\$ -	\$ 118,403	\$ 126,140	\$ 1,361,905
Deductions:						
Agency fund deductions	110,418	-	98,511	102,760	116,648	1,483,905
Excess (deficiency) of total additions over total deductions	(84,648)	1,737	(98,511)	15,643	9,492	(122,000)
Cash and investment fund balance - beginning	128,443	40,721	141,960	(25)	56,079	487,118
Cash and investment fund balance - ending	<u>\$ 43,795</u>	<u>\$ 42,458</u>	<u>\$ 43,449</u>	<u>\$ 15,618</u>	<u>\$ 65,571</u>	<u>\$ 365,118</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Special Death Benefit	Education Plate Fees Agency	Tax Sale	Financial Institution Tax	In Lieu of Road Bond	Welfare Trust
Additions:						
Agency fund additions	\$ 3,010	\$ 938	\$ 41,415	\$ 258,664	\$ -	\$ 323
Deductions:						
Agency fund deductions	15,173	844	11,365	258,664	-	5,161
Excess (deficiency) of total additions over total deductions	(12,163)	94	30,050	-	-	(4,838)
Cash and investment fund balance - beginning	12,763	-	-	-	6,864	4,838
Cash and investment fund balance - ending	<u>\$ 600</u>	<u>\$ 94</u>	<u>\$ 30,050</u>	<u>\$ -</u>	<u>\$ 6,864</u>	<u>\$ -</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Excess Tax	Vehicle License	State Welfare Excise Tax Allocation	Sewage Collections	Sheriff's Inmate Trust/ Commissary Funds	Landfill Retainage
Additions:						
Agency fund additions	\$ 222,741	\$ -	\$ 76,199	\$ 9,725	\$ 345,315	\$ 57
Deductions:						
Agency fund deductions	122,614	-	76,199	9,725	334,831	-
Excess (deficiency) of total additions over total deductions	100,127	-	-	-	10,484	57
Cash and investment fund balance - beginning	230,654	255	-	(1,219)	5,340	27,580
Cash and investment fund balance - ending	<u>\$ 330,781</u>	<u>\$ 255</u>	<u>\$ -</u>	<u>\$ (1,219)</u>	<u>\$ 15,824</u>	<u>\$ 27,637</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	County Sheriff	Clerk of the Circuit Court	County Recorder	County Treasurer	Sheriff Buy Money
Additions:					
Agency fund additions	\$ 847,148	\$ 3,701,929	\$ 206,370	\$ 38,009,207	\$ -
Deductions:					
Agency fund deductions	918,729	3,636,170	207,300	46,841,158	1,612
Excess (deficiency) of total additions over total deductions	(71,581)	65,759	(930)	(8,831,951)	(1,612)
Cash and investment fund balance - beginning	88,279	730,284	15,135	9,382,182	2,287
Cash and investment fund balance - ending	<u>\$ 16,698</u>	<u>\$ 796,043</u>	<u>\$ 14,205</u>	<u>\$ 550,231</u>	<u>\$ 675</u>

KNOX COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Probation Department	Park and Recreation Department	Tax Distribution Funds	Payroll Funds	Totals
Additions:					
Agency fund additions	\$ 464,340	\$ 68,991	\$ 51,533,911	\$ 6,832,581	\$ 104,256,819
Deductions:					
Agency fund deductions	451,513	69,716	51,534,808	6,871,993	113,279,817
Excess (deficiency) of total additions over total deductions	12,827	(725)	(897)	(39,412)	(9,022,998)
Cash and investment fund balance - beginning	31,322	1,327	1,314	189,631	11,583,132
Cash and investment fund balance - ending	\$ 44,149	\$ 602	\$ 417	\$ 150,219	\$ 2,560,134

KNOX COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental activities:		
Capital leases:		
2001 Jail EDIT lease rental	\$ 1,800,000	\$ 35,000
2006 E-911 equipment	6,354	6,354
2007 Jail lease rental	9,080,000	505,000
2007 Highway grader	143,476	46,500
2007 Communications equipment	3,208	3,208
Notes and loans payable	752,337	67,825
Bonds payable:		
Revenue bonds:		
2001 Jail EDIT Bonds	445,000	100,000
Total governmental activities debt	<u>\$ 12,230,375</u>	<u>\$ 763,887</u>

KNOX COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the individual County office listed below:

County Auditor

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

Compliance

We have audited the compliance of Knox County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the County 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the County's management, County Council, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 22, 2010

KNOX COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Homeland Security Public Safety Interoperable Communications Grant Program	11.555	2007-GS-H7-0041	\$ 62,562
Total for federal grantor agency			<u>62,562</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG - State-Administered Small Cities Program Cluster Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii Disaster Recovery Fund	14.228	DR1A-09-026	1,500
Disaster Recovery Fund		DR1A-09-033	1,500
Community Focus Planning Grant		CF-07-106	<u>8,368</u>
Total for federal grantor agency			<u>11,368</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
ARRA - Edward Byrne Memorial JAG Program/ Grants to Local Units of Government	16.804	2009-SB-B9-2010	<u>10,182</u>
Pass-Through Indiana Criminal Justice Institute			
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.378	05-DJ-103	<u>8,549</u>
Juvenile Accountability Incentive Block Grants			
Knox County Juvenile Accountability and Monitoring Program	16.523	06-JB-119	8,372
Knox County Juvenile Accountability and Monitoring Program		06-JB-017	<u>16,296</u>
Total for program			<u>24,668</u>
Crime Victim Assistance	16.575	08-VA-066	<u>18,888</u>
Residential Substance Abuse Treatment for State Prisoners	16.593	08-RT-003	<u>15,000</u>
ARRA - Edward Byrne Memorial JAG Program/ Grants to Local Units of Government	16.804	2009-SB-B9-2010	<u>9,975</u>
Total for federal grantor agency			<u>87,262</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Transit Services Programs Cluster Job Access - Reverse Commute	20.516	Knox Co. Van-Go	55,574
New Freedom Program	20.521	Knox Co. Van-Go	<u>30,838</u>
Total for cluster			<u>86,412</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

KNOX COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION (continued)</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Bridge Inspections			32,392
Bridge #377 Project			<u>53,043</u>
Total for Cluster			<u>85,435</u>
Formula Grants for Other Than Urbanized Areas	20.509	Knox Co. Van-Go	<u>227,612</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention			
Incentive Grants	20.601		
Operation Pull Over		OP-09-01-01-98	4,283
Operation Pull Over		OP-08-01-01-96	6,293
Operation Pull Over - Banquet Equipment Award		K4-2009-04-03-06	<u>500</u>
Total for Cluster			<u>11,076</u>
Total for federal grantor agency			<u>410,535</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health			
Public Health Emergency Preparedness	93.069	A07-0-0531158	<u>15,172</u>
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	U90/CCU517024-09	<u>26,563</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor			110,355
County Clerk			35,477
Collection Incentive			11,077
Prosecutor PCA Fees			<u>12,770</u>
Total for program			<u>169,679</u>
Total for federal grantor agency			<u>211,414</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Citizens Corps	97.053	2006-GE-T6-0019	<u>3,850</u>
Total for federal grantor agency			<u>3,850</u>
Total federal awards expended			<u>\$ 786,991</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

KNOX COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Knox County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2009:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Formula Grants For Other Than Urbanized Areas	20.509	\$ 227,612
Job Access – Reverse Commute	20.516	55,574
New Freedom Program	20.521	30,838

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Significant deficiencies identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants For Other Than Urbanized Areas
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters were reportable.

Section III – Federal Award Findings and Questioned Costs

No matters were reportable.

KNOX COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2010, with Robert K. Lechner, Vice President of the County Council; James Parish, President of the Board of County Commissioners; and Sharon K. Duke, Auditor. Our audit disclosed no material items that warrant comment at this time.