

*COUNTY OF KNOX JAIL*

*FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULES*

*FOR THE YEAR  
ENDED JUNE 30, 2012*

**COUNTY OF KNOX JAIL  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES  
JUNE 30, 2012**

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**INDEPENDENT AUDITOR'S REPORT**

April 10, 2013

County Commissioners  
County of Knox  
Rockland, ME 04841

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Knox Jail Department as of and for the year ended June 30, 2012, which collectively comprise the Jail Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Knox Jail Department'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. 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 1, the financial statements of the County of Knox Jail Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information of the County that is attributable to the transactions of the Jail Department. They do not purport to, and do not, present fairly the financial position of the County of Knox, Maine as of June 30, 2012, the changes in its financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2-5 and 22 are not a required part 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Knox Jail Department as of June 30, 2012, and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully Submitted,

*James W. Wadman, C.P.A.*

James W. Wadman, C.P.A.

County of Knox Jail  
Management's Discussion and Analysis  
For the Year ended June 30, 2012

Management of County of Knox Jail provides this *Management's Discussion and Analysis* of the County's financial performance for readers of the County's financial statements. This narrative overview and analysis of the financial activities of the County is for the Year ended June 30, 2012. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of County of Knox Jail (the County) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

**FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT**

**Government-wide Highlights:**

*Net Assets* – The assets of the County exceeded its liabilities at Year ending June 30, 2012 by \$3,481,631 (presented as “net assets”). Of this amount, \$202,563 was reported as “unrestricted net assets”. Unrestricted net assets represent the amount available to be used to meet the County's ongoing obligations to citizens and creditors.

*Changes in Net Assets* – The County's total net assets decreased by \$163,679 (a 4.5% decrease) for the year ended June 30, 2012.

**Fund Highlights:**

*Governmental Funds – Fund Balances* – As of the close of the Year ended June 30, 2012, the County's governmental funds reported a combined ending fund balance of \$339,530 with 168,915 being general unassigned fund balance. This unassigned fund balance represents 4.5% of the total general fund expenditures for the year.

**Long-term Debt:**

The County has no outstanding debt as of June 30, 2012.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

**Government-wide Financial Statements**

The Government-wide financial statements present the financial picture of the County from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The government-wide financial statements can be found on pages 6-7 of this report.

**Fund Financial Statements**

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the County's government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

The basic governmental fund financial statements can be found on pages 8-11 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

The notes to the financial statements can be found on pages 12-21 of this report.

**Required Supplementary Information**

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary).

Required supplementary information can be found on page 22 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets**

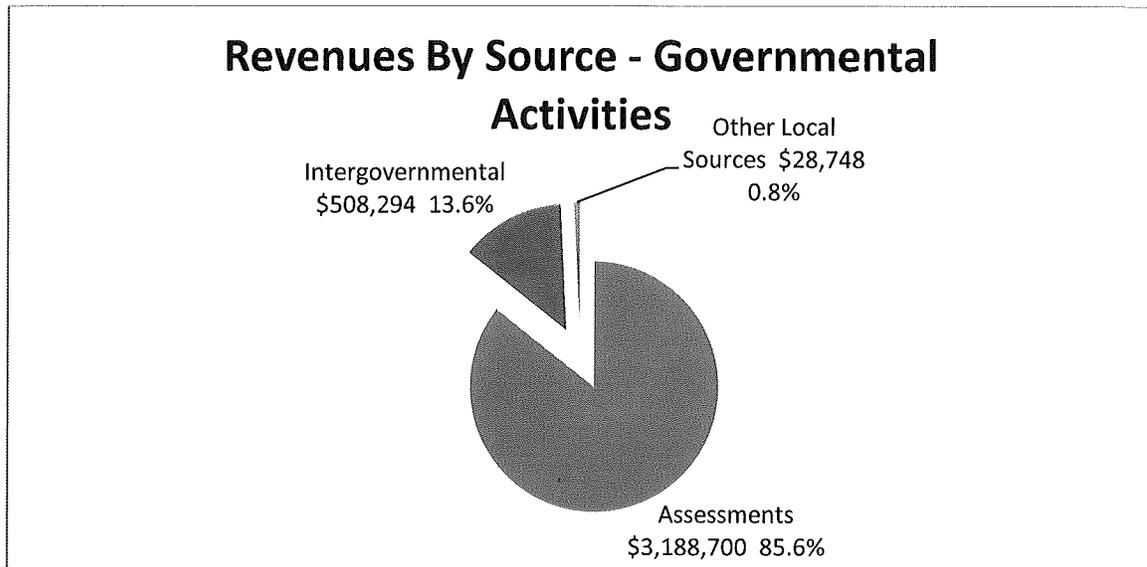
94% of the County's net assets reflect its investment in capital assets such as land, buildings, and equipment less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<b>Total 2012</b>	<b>Total 2011</b>
Current Assets	444,479	452,004
Capital Assets	3,279,068	3,418,335
<b>Total Assets</b>	<b>3,723,547</b>	<b>3,870,339</b>
Current Liabilities	241,916	225,029
Other Liabilities	-	-
<b>Total Liabilities</b>	<b>241,916</b>	<b>225,029</b>
<b>Net Assets:</b>		
Invested in Capital Assets	3,279,068	3,418,335
Restricted	-	-
Unrestricted	202,563	226,975
<b>Total Net Assets</b>	<b>3,481,631</b>	<b>3,645,310</b>
<b>Total Liabilities and Net Assets</b>	<b>3,723,547</b>	<b>3,870,339</b>

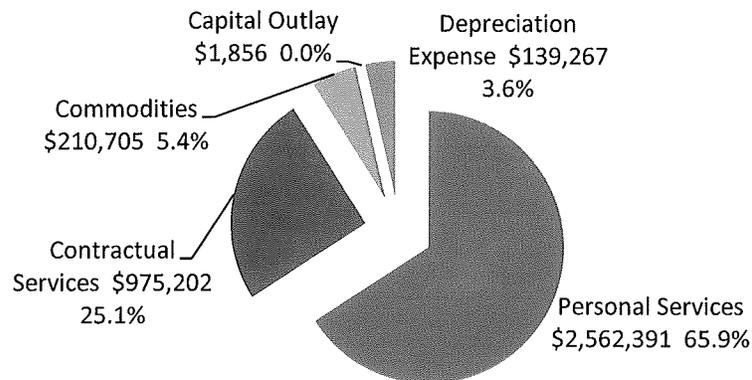
**Changes in Net Assets**

Approximately 86 percent of the County's total revenue came from assessments, approximately 13 percent came from State subsidies and grants, and approximately 1 percent came from services, investment earnings and other sources. Depreciation expense on the County's governmental assets represents \$139,267 of the total expenditures for the fiscal year.

	<b>Total 2012</b>	<b>Total 2011</b>
<b>Revenues:</b>		
County Assessments	3,188,700	3,188,700
Intergovernmental Revenues	508,294	453,613
Local Sources	28,748	17,496
<b>Total</b>	<b>3,725,742</b>	<b>3,659,809</b>
<b>Expenses:</b>		
Personal Services	2,562,391	2,373,318
Contractual Services	975,202	953,385
Commodities	210,705	179,142
Capital Outlay	1,856	3,763
Depreciation	139,267	139,070
	<b>3,889,421</b>	<b>3,648,678</b>
<b>Changes in Net Assets</b>	<b>(163,679)</b>	<b>11,131</b>



## Expenditures By Source - Governmental Activities



### **FINANCIAL ANALYSIS OF THE COUNTY'S INDIVIDUAL FUNDS**

#### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the County's governmental funds reported ending fund balances of \$339,530 an increase of \$11,189 in comparison with the prior year. 50 percent of this total amount constitutes unassigned fund balance.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- \$60,623 positive variance in correction officers. There were open positions.
- \$89,976 negative variance in part-time. Part-time correction officers filled in for the open positions.
- \$40,570 negative variance in inmate programs and services. There was an increase in the contract.

#### **CAPITAL ASSET ADMINISTRATION**

##### **Capital Assets**

The County's investment in capital assets for its governmental activities amounts to \$5,808,398 net of accumulated depreciation of \$2,529,330 leaving a net book value of \$3,279,068.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: County of Knox Jail, 62 Union St., Rockland, ME 04841.

**COUNTY OF KNOX JAIL**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

*Exhibit A*

<i>Assets</i>	<i>Governmental Activities</i>
Investments	156,437
Accounts Receivable	16,841
Due from Other Governments	271,201
Capital Assets:	
Land	86,200
Other Capital Assets, Net of Depreciation	3,192,868
<b>Total Assets</b>	<b>3,723,547</b>
<i>Liabilities and Net Assets</i>	
Liabilities	
Accounts Payable	49,680
Accrued Salaries	55,269
Compensated Absences Payable	136,967
<b>Total Liabilities</b>	<b>241,916</b>
Net Assets	
Investment in Capital Assets, net of Related Debt	3,279,068
Restricted Net Assets	-
Unrestricted	202,563
<b>Total Net Assets</b>	<b>3,481,631</b>
<b>Total Liabilities and Net Assets</b>	<b>3,723,547</b>

The accompanying notes to the financial statements are an integral part of these statements.

**COUNTY OF KNOX JAIL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit B*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Fees, Fines, and</u>	<u>Operating</u>	<u>Revenue and</u>
<u>Primary Government</u>		<u>Charges for</u>	<u>Grants</u>	<u>Changes in Net Assets</u>
<u>Governmental Activities</u>		<u>Services</u>		<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Personal Services	2,562,391			(2,562,391)
Contractual Services	975,202			(975,202)
Commodities	210,705			(210,705)
Capital Outlay	1,856			(1,856)
Depreciation Expense	139,267			(139,267)
<i>Total Governmental Activities</i>	<u>3,889,421</u>	<u>-</u>	<u>-</u>	<u>(3,889,421)</u>
<i>Total Primary Government</i>	<u>3,889,421</u>	<u>-</u>	<u>-</u>	<u>(3,889,421)</u>
<u>General Revenues:</u>				
Assessments				3,188,700
Intergovernmental Revenues				508,294
Other Local Sources				28,748
<i>Total Revenues, Special Items and Transfers</i>				<u>3,725,742</u>
<i>Changes in Net Assets</i>				(163,679)
<i>Net Assets - Beginning</i>				<u>3,645,310</u>
<i>Net Assets - Ending</i>				<u>3,481,631</u>

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

COUNTY OF KNOX JAIL  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

Exhibit C  
Page 1 of 2

<i>Assets</i>	<i>General Fund</i>	<i>Capital Project</i>	<i>Total</i>
Investments	60,772	95,665	156,437
Accounts Receivable	16,841		16,841
Due from Other Governments	257,023	14,178	271,201
<b>Total Assets</b>	<b>334,636</b>	<b>109,843</b>	<b>444,479</b>
 <i>Liabilities and Fund Balance</i>			
Liabilities			
Accounts Payable	49,680		49,680
Accrued Salaries	55,269		55,269
<b>Total Liabilities</b>	<b>104,949</b>	<b>-</b>	<b>104,949</b>
 <i>Fund Balances</i>			
Committed	60,772	109,843	170,615
Unassigned	168,915		168,915
<b>Total Fund Balances</b>	<b>229,687</b>	<b>109,843</b>	<b>339,530</b>
<b>Total Liabilities and Fund Balances</b>	<b>334,636</b>	<b>109,843</b>	<b>444,479</b>

The accompanying notes to the financial statements are and integral part of these statements.

*COUNTY OF KNOX JAIL  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012*

*Exhibit C  
Page 2 of 2*

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balance	339,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$2,529,330	<u>3,279,068</u>
	<u>3,279,068</u>
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:	
Accrued Compensated Absences	<u>(136,967)</u>
	<u>(136,967)</u>
Net Assets of Governmental Activities	<u><u>3,481,631</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

**COUNTY OF KNOX JAIL**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit D*  
*Page 1 of 2*

	<i>General Fund</i>	<i>Capital Projects</i>	<i>Total Governmental Funds</i>
Revenues			
Assessments	3,188,700		3,188,700
Intergovernmental Revenues	508,294		508,294
Local Sources	24,835	3,913	28,748
<b>Total Revenues</b>	<b>3,721,829</b>	<b>3,913</b>	<b>3,725,742</b>
Expenditures			
Personal Services	2,526,790		2,526,790
Contractual Services	975,202		975,202
Commodities	210,705		210,705
Capital Outlay	1,856		1,856
<b>Total Expenditures</b>	<b>3,714,553</b>	<b>-</b>	<b>3,714,553</b>
Excess of Revenues Over (Under) Expenditures	7,276	3,913	11,189
Fund Balance - July 1	222,411	105,930	328,341
<b>Fund Balance - June 30</b>	<b>229,687</b>	<b>109,843</b>	<b>339,530</b>

(Continued)

**COUNTY OF KNOX JAIL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

**Exhibit D  
Page 2 of 2**

Net change in fund balances - total governmental funds	11,189
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Depreciation expense	(139,267)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(35,601)</u>
Change in net assets of governmental activities	<u><u>(163,679)</u></u>

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

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Knox Jail have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The financial statements represent information of the County attributable to the transactions of the jail department. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Financial Reporting Entity**

The County of Knox Jail operates under an elected Board of Commissioners form of government.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County. Fiduciary activities, whose resources are not available to finance the County's programs, are excluded from the government-wide statements. The material effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and various intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds, reporting only assets and liabilities, have no measurement focus but use the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales taxes, interdepartmental charges and intergovernmental revenues are considered susceptible to accrual. Special assessments are recorded as revenues in the year the assessment become current. Annual installments not yet due are reflected as special assessment receivables and deferred revenues. Other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is used to account for all or most of the County's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

The capital projects fund accounts for all the County funds designated for capital purposes.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and charges between the business-type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Fund Equity**

**1. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These investments are not specifically identified with any one fund. Interest is allocated to the individual funds on the basis of average cash balances.

The County may invest in certificates of deposit, in time deposits, and in any securities in which the state investment officer is authorized to invest pursuant to the Maine Statute 5705 Title 30-A and as provided in the authorized investment guidelines of the Maine Statutes 5711 through 5719 in effect on the date the investment is made.

Investments in the Pension Trust Fund are carried at fair value. Investments in other funds are carried at fair value, except for short-term investments, which are reported at amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value, based on relevant market information of similar financial instruments. Income from investments held by the individual funds is recorded in the respective funds

**2. Receivables and Payables**

Transactions between funds that result in outstanding balances are reported as due to/from other funds.

Revenues for the most part are recorded when received, except for the following items for which receivables have been recorded:

- a. Certain grants received from other governments require that eligible expenditures be made in order to earn the grant. Revenue for these grants is recorded for the period in which eligible expenditures are made.
- b. Various service charges are recorded as revenue for the period when service was provided. The receivables for such services are shown on the balance sheet.

**3. Inventories**

Inventories are valued at cost, using the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased, however, material amounts of inventories are reported as assets of their respective funds. Reported inventories in the government funds are equally offset by a fund balance reserve which indicates that the assets are not available for appropriation even though they are a component of reported assets.

**4. Capital Assets**

Capital assets, which property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Fund Equity (continued)**

**4. Capital Assets (continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50-100
Infrastructure	30-50
Equipment	5-30

**5. Compensated Absences**

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrue to employees. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

**6. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the bonds-outstanding method. For current and advance refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Fund Equity (continued)**

**7. Fund Balances/Net Assets**

Fund Balances

In accordance with Government Accounting Standards Board 54, fund balance reporting and governmental fund type definitions, the County classifies governmental fund balances as follows:

*Non-spendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through County commissioners voting and does not lapse at year-end.

*Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the County Treasurer.

*Unassigned* – includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balance in other governmental funds.

The County considers restricted, committed, assigned, and unassigned amounts to be spent in that order when expenditures for which any of those amounts are available.

The County does not have a formal minimum fund balance policy.

Fund Balances

The County has identified June 30, 2012 fund balances on the balance sheet as follows:

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u>	<u>Totals</u>
<u>Committed</u>			
Computer Reserve	15,212		15,212
Consultant Reserve	37,463		37,463
Training Reserve	8,097		8,097
Capital Reserve		100,396	100,396
Vehicle Reserve		9,447	9,447
<u>Unassigned</u>			
General Fund	168,915		168,915
<u>Total Fund Balance</u>	<u>229,687</u>	<u>109,843</u>	<u>339,530</u>

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Fund Equity (continued)**

**7. Fund Balances/Net Assets**

Net Assets

Net assets are required to be classified into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

*Invested in capital assets, net of related debt* – This component of net assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portions of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt.

*Restricted* – This component of net assets consists of restrictions placed on net assets use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The County utilizes a formal budgetary accounting system to control revenues accounted for in the general fund. These budgets are established in accordance with the various laws which govern the County’s operations. The County Commissioners submit an itemized budget estimate to the budget committee no later than 60 days before the end of the County’s fiscal year. The budget committee (made up of elected officials from various Counties) reviews the proposed itemized budget prepared by the County Commissioners, together with any supplementary material prepared by the head of each County department or provided by any independent board or institution or another governmental agency. The budget committee may increase, decrease, or alter the proposed budget. The budget committee then holds a public hearing in the County on the proposed budget before the end of the County’s fiscal year and before the final adoption of the budget.

After the public hearing is completed, the budget committee adopts a final budget and transmits that budget to the county commissioners. The county commissioners may not further increase, decrease, alter, and revise the budget as adopted by the budget committee, except by unanimous vote of the county commissioners. If the adopted budget is changed by the county commissioners, the budget committee may reject that change by a 2/3 vote of its membership. Those actions are final and are not subject to further action by either the county commissioners or the budget committee.

The budget as adopted and changed is the final authorization for the assessment of county taxes. The approved final budget is sent to the county commissioners and the county tax authorized is apportioned and collected.

All annual appropriations lapse at the year-end except for capital appropriations, which are encumbered if approved by the County Commissioners.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Budget/GAAP Reconciliation**

The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Exhibit F) reconciles financial data on a budgetary basis for the government's general fund to the data shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Exhibit D). The major difference is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

**C. Reserved For Contingency - General Fund**

Title 30-A, Section 922, Maine Revised Statutes Annotated of 1964 states that at the end of each fiscal year, there must be transferred from unencumbered county funds an amount sufficient to restore the established county contingent account.

At June 30, the County's contingency account remained at its established balance.

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Investments**

At June 30, 2012, the County had the following investments, maturities, and credit ratings:

<i>Type</i>	<i>Fair Value</i>	<i>Maturities in Years</i>				<i>Credit Rating</i>	
		<i>&lt; 1</i>	<i>1-5</i>	<i>6-10</i>	<i>&gt; 10</i>	<i>S&amp;P</i>	<i>Moody's</i>
<u><i>General Town</i></u>							
U.S. Gov't Obligations	156,437	41,110	96,591	18,736		N/A	N/A
	<u>156,437</u>	<u>41,110</u>	<u>96,591</u>	<u>18,736</u>	<u>-</u>		

**Investment Policies**

Generally, the County's investing activities are managed under the custody of the County Treasurer. Investing is performed in accordance with the investment policy adopted by the County Overseers complying with state statutes. The County may invest in securities permitted under 30-A MRSA 5712, 5713, 5714, 5715, and 5716. Upon approval of the County Overseers, the treasurer of the trustee(s) of a trust fund of the County, may enter into safekeeping and investment management agreements and/or investment advisory agreements in accordance with 30-A MRSA 5706(4) and the investment funds pursuant to any such agreements shall be governed by the rule prudence as set forth in 18-A MRSA 7-302.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<i>Governmental Activities;</i>				
<i>Capital assets not being depreciated</i>				
Land	86,200			86,200
<i>Capital assets being depreciated</i>				
Buildings	5,363,128			5,363,128
Equipment	359,068			359,068
<i>Total capital assets being depreciated</i>	5,722,196	-	-	5,722,196
<i>Less accumulated depreciation for</i>				
Buildings	2,187,988	109,091		2,297,079
Equipment	202,073	30,176		232,249
<i>Total accumulated depreciation</i>	2,390,061	139,267	-	2,529,328
<i>Net capital assets being depreciated</i>	3,332,135	(139,267)	-	3,192,868
<b><i>Governmental Activities Capital Assets, net</i></b>	<b>3,418,335</b>	<b>(139,267)</b>	<b>-</b>	<b>3,279,068</b>

**NOTE 4 - OTHER INFORMATION**

**A. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amount, if any to be immaterial.

There are various claims and suits pending against the County which arise in the normal course of the County's activities. In the opinion of management, the ultimate disposition of these various claims and suits will not have a material effect in the financial position of the County.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 4 - OTHER INFORMATION**

**B. Pension Plans**

The County has contributed for certain employees, to the Maine State Retirement System (MSRS), a cost-sharing multiple-employer defined benefits pension plan. The County has withdrawn from participation for new employees, but must continue to fund the benefits of current retirees and vested inactive members. The County is required to contribute an annual fee based on an actuarial valuation of the entire State plan. Contribution requirements for the County included an unfunded liability of \$15,000 for 2009, an unfunded liability of \$69,982 for 2010, and an unfunded liability of \$45,448 for 2011.

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all county employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan is administered by an independent company, and the County remits all compensation deferred to this administrator for investment as requested by the participant employees. All assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

The County has adopted a 401 Qualified Plan for which an independent company is the plan administrator.

The County contributes 7% of earnings on behalf of each participant for the plan year. Each participant is required to contribute 3% of earnings for the plan year as a condition of participation.

All full-time, salaried management, public safety, and elected officials are eligible to participate. Normal retirement age shall be 55 (not to exceed age 65). Participants vesting requirements are fulfilled at 5 years of service.

A participant may direct the investment without restriction among various options available under the trust. Loans are not permitted under the plan.

Effective January 1, 2002, the County implemented a cafeteria benefit plan pursuant to section 125 of the IRS code. Under this plan, eligible employees may direct a contribution, made by the employees, into any combination of the following benefit categories:

1. Health Care Reimbursement Plan;
2. Dependent Care Assistance Account;
3. Premium Expense Account;

Eligible employees may elect to contribute pre-tax dollars to these categories. Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Care Assistance Account. Total contributions may not be more than \$10,000 each year.

All regular full-time and part-time employees who are eligible to join the County's major medical plan are eligible to participate in this plan. Seasonal employees are not eligible. The plan year adopted by the County begins on January 1 and ends on December 31.

**COUNTY OF KOX JAIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 4 - OTHER INFORMATION (Continued)**

**B. Pension Plans (Continued)**

To obtain reimbursement of expenses incurred within a plan year within the spending accounts, employees must submit claims within 30 days of the end of the plan year or separation from the County, whichever comes first. Funds unclaimed after 30 days of the close of the plan year are then remitted to the County.

**C. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions; and natural disasters for which the County participated in public entity risk pools.

The County is a member of the Maine Municipal Association - Worker Compensation Fund ("Fund"). The Fund was created to formulate, develop, and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage, and develop a comprehensive loss control program. The County pays an annual premium to the Fund for its worker's compensation coverage. The County's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide through commercial companies reinsurance contracts, for members with claims in excess of \$400,000 with a limit of \$2,000,000.

The County is also a member of the County Commissioners Association Self-Funded Risk Management Pool ("Pool"). As with the Fund above, the Pool was created to obtain lower costs for its members. The County pays an annual premium for its property and liability coverage.

Under the property portion of the Pool, coverage is provided, after the deductible is met, to \$10,000,000. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

**COUNTY OF KNOX JAIL**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit E*

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
Revenues				
Assessments	3,188,700	3,188,700	3,188,700	-
Intergovernmental Revenues	507,929	507,929	508,294	365
Local Sources	7,900	7,900	22,350	14,450
<b>Total Revenues</b>	<b>3,704,529</b>	<b>3,704,529</b>	<b>3,719,344</b>	<b>14,815</b>
Expenditures				
Personal Services	2,529,499	2,529,499	2,526,790	2,709
Contractual Services	960,180	960,180	975,202	(15,022)
Commodities	202,350	202,350	210,705	(8,355)
Capital Outlay	12,500	12,500	1,856	10,644
<b>Total Expenditures</b>	<b>3,704,529</b>	<b>3,704,529</b>	<b>3,714,553</b>	<b>(10,024)</b>
Excess Revenues Over Expenditures	-	-	4,791	4,791
Excess of Revenues and Other Sources Over (Under) Expenditures	-	-	4,791	4,791
Unreserved Fund Balance - July 1			164,124	
<b>Unreserved Fund Balance - June 30</b>			<b>168,915</b>	

**COUNTY OF KNOX JAIL  
GENERAL FUND  
STATEMENT OF BUDGETED AND ACTUAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit A-1*

	<i>Budget</i>	<i>Actual</i>	<i>Over (Under) Budget</i>
Assessments	3,188,700	3,188,700	-
Intergovernmental Revenues			
State			
BOC Investment Fund	146,549	146,549	-
Community Corrections	361,380	361,380	-
Fuel Reimbursement		365	365
	<u>507,929</u>	<u>508,294</u>	<u>365</u>
Other Local Sources			
Court Ordered Board	2,800	6,163	3,363
Employee Meals		1,329	1,329
SSI Incentive Payment	5,100	9,800	4,700
GED Adult Education		5,000	5,000
Restitution		58	58
	<u>7,900</u>	<u>22,350</u>	<u>14,450</u>
Operating Transfers In			
Transfers from Reserves			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfers	3,704,529	<u><u>3,719,344</u></u>	<u><u>14,815</u></u>
Fund Balance Used to Calculate Assessments			
Total	<u><u>3,704,529</u></u>		

**COUNTY OF KNOX JAIL**  
**GENERAL FUND**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit A-2*  
*Page 1 of 2*

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Personal Services			
Jail Administrator	57,466	64,248	(6,782)
Assistant Jail Administrator	50,506	63,147	(12,641)
Programs Officer	82,532	88,355	(5,823)
Food Services	116,995	120,489	(3,494)
Administrative Assistant	26,497	22,163	4,334
Corrections Supervisors	295,479	137,175	158,304
Assistant Corrections Supervisors		129,882	(129,882)
Corrections Officers	797,032	736,409	60,623
Corrections Maintenance	32,765	36,627	(3,862)
Transport Supervisor	45,140	45,914	(774)
Transportation Officers	23,680		23,680
Records Officer	45,909	43,802	2,107
Overtime	220,000	232,240	(12,240)
Holiday Overtime	60,400	60,056	344
Part Time	30,000	119,976	(89,976)
Hourly Differential	10,380	11,921	(1,541)
Stipends	2,000	1,500	500
FICA/Medicare	142,809	143,788	(979)
Health Insurance	362,714	354,662	8,052
Workers Compensation	65,899	44,597	21,302
Unemployment Reimbursement	7,053	21,066	(14,013)
Resignation / Termination Benefits	5,329	6,879	(1,550)
Flexible Benefits	85	90	(5)
ICMA Qualified and Deferred Compensation	48,829	41,804	7,025
	<u>2,529,499</u>	<u>2,526,790</u>	<u>2,709</u>
Contractual Services			
Consulting / Accounting Services	3,131	3,301	(170)
Automobile Mileage	735	652	83
Meals	875	344	531
Lodging	955	207	748
Other, Tolls, Fees	155	45	110
Telephone	7,200	6,959	241
Insurance Deductibles	107,622	100,101	7,521
Postage and Shipping	150	107	43
Printing and Engraving	215	51	164
Training and Seminars	4,000	1,441	2,559
Electricity	90,000	68,074	21,926
Heating Fuel	65,000	73,609	(8,609)
Underground Tank Inspection	725	450	275
Sewage	17,000	35,987	(18,987)
Water	9,500	16,463	(6,963)
Copier Rental	3,800	5,850	(2,050)
Equipment Repairs and Maintenance	10,000	5,284	4,716
Radio Repairs and Maintenance	2,060	1,750	310
Computer Repairs and Maintenance	10,000	10,618	(618)

**COUNTY OF KNOX JAIL**  
**GENERAL FUND**  
**STATEMENT OF APPROPRIATIONS, EXPENDITURES AND ENCUMBRANCES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit A-2*  
*Page 2 of 2*

	<i>Budget</i>	<i>Actual</i>	<i>(Over) Under Budget</i>
Contractual Services (continued)			
Grounds Maintenance	8,240	5,689	2,551
Building Repairs and Maintenance	15,000	8,884	6,116
Electrical Repairs and Maintenance	8,000	2,715	5,285
Heating Repairs and Maintenance	28,000	45,337	(17,337)
Plumbing Repairs and Maintenance	7,000	4,749	2,251
Rubbish Removal	3,000	4,869	(1,869)
Control Panel		11,889	(11,889)
Pest Control	600	480	120
Consultant Fees	6,000	6,415	(415)
Inmate Medical and Dental	290,300	243,116	47,184
Inmate Medical Services Contract	10,000	111,349	(101,349)
Medical Exams	89,506	2,058	87,448
Inmate Programs and Services	59,700	100,270	(40,570)
Inmate Expense	1,000	8,096	(7,096)
Registration / Enrollment	460		460
Community Corrections	72,276	72,276	-
Tax Interest	12,500	454	12,046
Gas, Oil, Grease	9,475	9,242	233
Automobile Repairs and Maintenance	6,000	6,021	(21)
	<u>960,180</u>	<u>975,202</u>	<u>(15,022)</u>
Commodities			
Food	94,000	97,410	(3,410)
Auto Supplies	1,000		1,000
Cleaning Supplies	12,800	14,674	(1,874)
Institutional Supplies	41,500	47,107	(5,607)
Maintenance Supplies	12,000	11,457	543
Office Supplies	6,600	4,146	2,454
Kitchen Supplies	6,500	6,544	(44)
Training Supplies	1,700	623	1,077
Computer Supplies	3,000	2,017	983
Uniforms	10,000	12,227	(2,227)
Prisoner Clothing	7,000	9,272	(2,272)
Books and Subscriptions	500	670	(170)
Statues and Reference Books	3,000	2,948	52
Small Tools	2,000	1,599	401
Miscellaneous Minor Equipment	750	11	739
	<u>202,350</u>	<u>210,705</u>	<u>(8,355)</u>
Capital Outlay			
Furniture and Fixtures	5,000	1,856	3,144
Computer Hardware	2,500		2,500
Plumbing	5,000		5,000
	<u>12,500</u>	<u>1,856</u>	<u>10,644</u>
<b>Total Appropriations</b>	<u><u>3,704,529</u></u>	<u><u>3,714,553</u></u>	<u><u>(10,024)</u></u>

**COUNTY OF KNOX JAIL**  
**GENERAL FUND**  
**STATEMENT OF CHANGES IN UNASSIGNED FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit A-3*

Unassigned Fund Balance July 1, 2011	164,124	
Unassigned Fund Balance June 30, 2012	<u>168,915</u>	
<b>Increase (Decrease)</b>		<u><u>4,791</u></u>
Analysis of Change		
Additions		
Budget Summary		
Revenue Surplus (Exhibit A-1)	14,815	
Unexpended (Overdraft) Balance of Appropriations (Exhibit A-2)	<u>(10,024)</u>	
Budget Surplus (Deficit)		<u>4,791</u>
Deductions		
Fund Balance Used to Calculate Assessments		<u>-</u>
<b>Increase (Decrease)</b>		<u><u>4,791</u></u>

**COUNTY OF KNOX JAIL**  
**ALL GENERAL RESERVE FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2012**

*Exhibit A-4*

<i>Assets</i>	<i>Computer Reserve</i>	<i>Consultant Reserve</i>	<i>Training Reserve</i>	<i>Totals</i>
Investments	15,212	37,463	8,097	60,772
Due from Other Governments				-
<b>Total Assets</b>	<b>15,212</b>	<b>37,463</b>	<b>8,097</b>	<b>60,772</b>
 <i>Liabilities and Fund Balances</i>				
<b>Liabilities</b>				
Due to Other Funds				-
<b>Total Liabilities</b>	-	-	-	-
 <b>Fund Balances</b>				
Committed	15,212	37,463	8,097	60,772
<b>Total Fund Balances</b>	<b>15,212</b>	<b>37,463</b>	<b>8,097</b>	<b>60,772</b>
<b>Total Liabilities and Fund Balances</b>	<b>15,212</b>	<b>37,463</b>	<b>8,097</b>	<b>60,772</b>

**COUNTY OF KNOX JAIL**  
**ALL GENERAL RESERVE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit A-5*

	<i>Computer Reserve</i>	<i>Consultant Reserve</i>	<i>Training Reserve</i>	<i>Totals</i>
Revenues				
Interest	622	1,532	331	2,485
Other Local Sources				-
<b>Total Revenues</b>	<b>622</b>	<b>1,532</b>	<b>331</b>	<b>2,485</b>
Expenditures				
Personnel Services				-
Contract Services				-
Commodities				-
Capital Outlay				-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	622	1,532	331	2,485
Other Financing Sources (Uses)				
Transfers from Other Funds				-
Transfers to Other Funds				-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	622	1,532	331	2,485
Fund Balance - July 1	14,590	35,931	7,766	58,287
<b>Fund Balance - June 30</b>	<b>15,212</b>	<b>37,463</b>	<b>8,097</b>	<b>60,772</b>

**COUNTY OF KNOX JAIL  
ALL CAPITAL PROJECTS  
BALANCE SHEET  
JUNE 30, 2012**

*Exhibit B-1*

<i>Assets</i>	<i>Capital Reserve</i>	<i>Vehicle Reserve</i>	<i>Totals</i>
Investments	86,218	9,447	95,665
Due from Other Governments	14,178		14,178
<b>Total Assets</b>	<b>100,396</b>	<b>9,447</b>	<b>109,843</b>
 <i>Liabilities and Fund Balances</i>			
Liabilities			
Due to Other Funds			-
Total Liabilities	-	-	-
Fund Balances			
Committed	100,396	9,447	109,843
Total Fund Balances	100,396	9,447	109,843
<b>Total Liabilities and Fund Balances</b>	<b>100,396</b>	<b>9,447</b>	<b>109,843</b>

**COUNTY OF KNOX JAIL  
 ALL CAPITAL PROJECTS  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2012**

*Exhibit B-2*

	<i>Capital Reserve</i>	<i>Vehicle Reserve</i>	<i>Totals</i>
Revenues			
Interest	3,526	387	3,913
Other Local Sources			-
<b>Total Revenues</b>	<b>3,526</b>	<b>387</b>	<b>3,913</b>
Expenditures			
Personnel Services			-
Contract Services			-
Commodities			-
Capital Outlay			-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	3,526	387	3,913
Other Financing Sources (Uses)			
Transfers from Other Funds			-
Transfers to Other Funds			-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,526	387	3,913
Fund Balance - July 1	96,870	9,060	105,930
<b>Fund Balance - June 30</b>	<b>100,396</b>	<b>9,447</b>	<b>109,843</b>