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*THE PUBLIC BUILDING AUTHORITY OF THE COUNTY  
OF KNOX AND THE CITY OF KNOXVILLE, TENNESSEE*

*NOTES TO THE FINANCIAL STATEMENTS (Continued)  
June 30, 2010 and 2009*

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**NOTE 9: NET ASSETS**

Net assets represent the difference between assets and liabilities. The net assets at June 30, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Invested in Capital Assets:		
Net Capital Assets	\$ 7,292,398	\$ 7,065,819
Unrestricted:		
Designated for Operating Reserve	1,008,692	1,072,981
Designated for Capital Asset Replacement	<u>2,381,562</u>	<u>2,882,874</u>
	<u>3,390,254</u>	<u>3,955,855</u>
Total	\$ <u>10,682,652</u>	\$ <u>11,021,674</u>

Since the PBA is a joint venture between the City and the County, the net assets represent the equity ownership of the City, County and others. The joint venture equity in the PBA at June 30, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
City	\$ 5,314,606	\$ 5,124,429
County	5,317,006	5,845,855
Others:		
Development Corp. of Knox County	16,390	16,390
Emergency Communications District	<u>34,650</u>	<u>35,000</u>
Total	\$ <u>10,682,652</u>	\$ <u>11,021,674</u>