

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
KNOX COUNTY, INDIANA
January 1, 2015 to December 31, 2015



FILED
04/13/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lisa G. Madden	01-01-15 to 12-31-18
County Treasurer	Sharon K. Duke Brenda Hall	01-01-13 to 12-31-15 01-01-16 to 12-31-19
Clerk of the Circuit Court	Terri Allen	01-01-15 to 12-31-18
County Sheriff	Michael Morris	01-01-15 to 12-31-18
County Auditor	Lisa G. Madden	01-01-15 to 12-31-18
County Recorder	Lisa Clark-Benock	01-01-15 to 12-31-18
President of the Board of County Commissioners	Larry Holscher Kellie Streeter	01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Robert Lechner	01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Knox County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 16, 2017, 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* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 16, 2017



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

We have audited, 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, the financial statement of Knox County (County), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated February 16, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, and 2015-003 that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002.

Knox County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 16, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

KNOX COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 2,035,938	\$ 9,561,347	\$ 10,731,932	\$ 865,353
Accident Report	1,811	276	-	2,087
Bid Deposits and Bonds Holding	43,455	30,999	73,834	620
CEDIT County Share	2,246,157	1,607,708	1,204,946	2,648,919
CEDIT- Special Legislation	797,843	465,009	583,958	678,894
City and Town Court Costs	8,361	19,332	-	27,693
Clerk's Records Perpetuation	66,192	17,058	11,066	72,184
COIT County Distributive Shares	7,852,661	2,621,416	4,604,483	5,869,594
Community Transition Program	66,074	14,325	4,813	75,586
Congressional School Interest	33,082	-	1,705	31,377
Congressional School Principal	42,619	-	-	42,619
Prisoner Reimbursement For Incarceration	359,004	102,695	462,415	(716)
Sales Disclosure- County Share	59,030	5,810	1,655	63,185
Cumulative Bridge	560,078	559,495	388,935	730,638
Cumulative Drainage	572,121	796,341	655,805	712,657
Drug Free Community	26,272	34,253	48,750	11,775
Firearms Training	1,423	10,030	8,361	3,092
General Drain Improvement	225,020	-	78,350	146,670
Health	27,359	428,675	305,696	150,338
Identification Security Protection	15,487	2,985	-	18,472
Levy Excess	28,359	-	-	28,359
Local Health Maintenance	61,168	33,139	22,609	71,698
Local Road and Street	273,390	370,007	373,923	269,474
Misdemeanant	48,521	27,832	32,041	44,312
Motor Vehicle Highway	1,041,065	3,193,953	3,205,812	1,029,206
Park Nonreverting Capital	96,182	94,909	81,078	110,013
Park Nonreverting Operating	36,398	35,450	7,360	64,488
Planning and Zoning Impact	17,320	110,901	106,856	21,365
Plat Book	5,427	-	-	5,427
Rainy Day	4,096,216	-	-	4,096,216
Reassessment- 2015	1,019,787	261,479	654,381	626,885
Recorder's Records Perpetuation	135,593	52,829	92,531	95,891
Riverboat	248,815	83,077	-	331,892
Solid Waste User Fees	(6,955)	135,194	128,239	-
Surplus Tax	192,701	41,157	30,296	203,562
Surveyor's Corner Perpetuation	15,630	7,285	15,101	7,814
Tax Sale Redemption	54,352	250,312	273,861	30,803
Tax Sale Surplus	376,914	124,416	224,606	276,724
Local Health Department Trust Account	49,472	22,332	15,104	56,700
Guardian Ad Litem	1,832	-	-	1,832
GAL/CASA	-	21,004	21,004	-
Auditors Ineligible Deductions	10,963	-	-	10,963
County Elected Officials Training	10,836	2,985	120	13,701
Park and Recreation	105,387	527,332	509,179	123,540
Statewide 911	214,293	433,560	334,319	313,534
Adult Probation Administrative	11,824	54,159	41,913	24,070
Juvenile Probation Administrative	11,647	-	-	11,647
TMA Audit- Assessor	-	63,887	-	63,887
TIF Capital Projects	2,062,974	372,269	2,158,673	276,570
Self-Insurance	1,441,679	2,777,902	2,371,692	1,847,889
Payroll Clearing	280	102,989	103,022	247
Payroll Withholding- Federal	54	733,160	733,214	-
Payroll Withholding- FICA & Medicare	(105)	1,094,914	1,094,809	-
Payroll Withholding- PERF	13,377	835,930	835,930	13,377
Payroll Withholding- State	(27)	320,234	320,207	-
Settlement	-	39,600,775	39,600,775	-
CVET Agency	-	373,538	373,538	-
Financial Institution Tax	-	405,751	405,751	-
Homestead Credit Rebate	30,173	-	-	30,173
State Fines and Forfeitures	17,287	52,497	64,420	5,364
Infraction Judgements	103,337	40,246	140,643	2,940
Overweight Vehicle Fines	131	-	131	-
Special Death Benefit	220	3,860	3,780	300
Sales Disclosure- State Share	-	2,340	1,975	365
Coroners Training & Con't Education	334	5,700	5,588	446
Mortgage Recording Fees- State Share	213	2,845	2,785	273
Inheritance Tax	139,196	2,258	25,021	116,433
Education Plate Fees Agency	-	788	788	-
Riverboat Revenue Sharing	-	144,638	144,638	-
Innkeepers Tax Collections	68,475	324,461	339,166	53,770
CEDIT Distribution	-	2,990,615	2,990,615	-
COIT Distribution	-	4,272,058	4,272,058	-
93.563 Prosecutor PCA	30,000	7,585	18,894	18,691

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

KNOX COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
93.563 ARRA Clerk IV-D Incentive	11,842	-	-	11,842
93.563 Title IV-D Incentive	63,395	10,466	-	73,861
93.563 Prosecutor IV-D Incentive- Post Oct '99	26,264	15,913	23,727	18,450
93.563 Clerk IV-D Incentive- Post Oct '99	63,093	10,466	9,957	63,602
Pre-Trial Diversion Fund	4,086	-	-	4,086
Inmate Workforce Donation	1,344	1,320	1,344	1,320
Vicki Harmon Donation Fund	10,255	1,954	12,110	99
KC Law Enforcement Donation	175	-	-	175
Park Donation- Christmas	12,526	8,477	11,799	9,204
MADD- Mothers Against Drunk Drivers	3,525	-	-	3,525
After Settlement Collections	1,182,330	973,285	1,182,330	973,285
Supplemental- Clerk Odyssey/ Trust	1,086,897	2,848,496	3,115,521	819,872
Supplemental- Clerk ISETS	4,645	739,239	739,573	4,311
Supplemental- Sheriff Inmate Trust	3,283	276,107	276,267	3,123
Supplemental- Sheriff Commissary	16,006	240,764	245,534	11,236
Supplemental- Sheriff Buy Money	295	-	-	295
Supplemental- Knox County Benefit Trust	153,445	2,152,812	1,912,002	394,255
Supplemental- Landfill Retainage	27,707	14	-	27,721
Community Corrections Grant	40,523	246,297	286,819	1
Community Corrections 15-16 Grant	20	316,667	295,332	21,355
NK Waste Water Plan Grant	423	-	-	423
Community Correction Grant 09	3,906	-	-	3,906
Landfill	1,524	-	-	1,524
Probation Users Fees- Adult	8,913	201,222	175,105	35,030
Probation Users Fees- Juvenile	39,713	6,800	24,619	21,894
Clerks User Fees	10,405	10,097	9,554	10,948
Prosecutor User Fees	168,974	121,657	142,185	148,446
Alcohol & Drug User Fees	149,593	117,873	106,081	161,385
Community Correction Project Income	311,268	759,506	717,069	353,705
Circuit Court Bail	10,250	-	10,250	-
Superior II Bail Fund	63,556	59,594	111,924	11,226
Superior I Bail Agency Fund	4,725	9,894	81	14,538
Circuit Court Bail Agency Fund	-	14,995	-	14,995
Tilly Ditch	-	31,644	1,033	30,611
904101 Sheriff Donation Fund	20,419	2,252	6,235	16,436
Donations- Monument Restoration	3,076	-	-	3,076
DARE Program	7,452	-	5,803	1,649
Law Enforcement	23,447	256,975	280,422	-
Sheriff Donation	-	15,100	15,000	100
Solid Waste- Auditor	6,145	756	5,256	1,645
Solid Waste- Treas.	10,553	756	5,418	5,891
Probation Home Monitoring	87,815	201,702	181,454	108,063
In Lieu Of Road Bond	6,864	-	-	6,864
Solid Waste Fee- Assessor	-	3,902	-	3,902
Surplus Dog Tax Fund	2,302	-	-	2,302
Health Clinic	255	-	-	255
IDACS (E-911)	3,660	3,000	2,098	4,562
Infraction Judgement	1,225	-	-	1,225
Hazardous Substance Response	276	-	-	276
PTRC & "HC" Holding Fund	80	-	-	80
Victim Assistant	103	-	-	103
Superior Court Group Home	500	-	-	500
Adult Protective Service	11,450	-	-	11,450
Drug Abuse Prosec.	123,610	-	-	123,610
Hillcrest Ins. Settlement 2006	222,911	-	-	222,911
DUI Task Force 2011	1,311	4,453	4,749	1,015
Victims Assistance Grant	514	-	-	514
Co Health Bioterrorism	(51)	27,193	19,894	7,248
EMA Performance Grant	(5,232)	41,005	34,880	893
Drug Abuse	14,023	10,401	-	24,424
Van Go Grant	-	580,280	580,280	-
Local Emergency Planning Grant	11,101	11,243	11,150	11,194
IN Criminal Justice Institute	-	30,497	27,592	2,905
Operation Pull Over	(1,056)	6,825	14,126	(8,357)
White River Valley Drug Task Force	670	-	-	670
Probation LCC	-	7,000	5,647	1,353
Proslink Implementation Proj	2,496	-	-	2,496
Disaster Public Assistance	1,142	-	-	1,142
2011 Homeland Security Grant	210	-	-	210
Court Interpreter Grant	-	862	205	657
Migrant Housing	-	161,576	161,576	-
Totals	\$ 31,146,899	\$ 87,233,643	\$ 92,117,151	\$ 26,263,391

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

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of 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 accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The County may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. 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. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the County to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The County may be 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; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

Note 7. Cash Balance Deficits

The financial statement contains several funds with deficits in cash. This is a result of some funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2015. Other funds with deficits in cash are due to revenues not being received in the clearing fund by December 31, 2015.

Note 8. Combined Funds

Thirty funds related to Cumulative Drainage and four funds related to Operation Pull Over were reported individually in the prior financial statement, but were combined into two funds for the current financial statement.

OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the County's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the County. It is presented as intended by the County.

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General	Accident Report	Bid Deposits and Bonds Holding	CEDIT County Share	CEDIT- Special Legislation	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 2,035,938	\$ 1,811	\$ 43,455	\$ 2,246,157	\$ 797,843	\$ 8,361	\$ 66,192
Receipts:							
Taxes	7,221,332	-	-	1,607,708	465,000	-	-
Licenses and permits	23,547	-	-	-	-	-	-
Intergovernmental receipts	185,379	-	-	-	-	-	-
Charges for services	803,997	-	-	-	-	-	-
Fines and forfeits	156,852	276	30,999	-	-	19,332	-
Other receipts	1,170,240	-	-	-	9	-	17,058
Total receipts	<u>9,561,347</u>	<u>276</u>	<u>30,999</u>	<u>1,607,708</u>	<u>465,009</u>	<u>19,332</u>	<u>17,058</u>
Disbursements:							
Personal services	6,231,153	-	-	-	-	-	-
Supplies	609,339	-	-	-	94,454	-	11,066
Other services and charges	3,020,811	-	-	658,515	489,504	-	-
Capital outlay	137,521	-	-	546,431	-	-	-
Other disbursements	733,108	-	73,834	-	-	-	-
Total disbursements	<u>10,731,932</u>	<u>-</u>	<u>73,834</u>	<u>1,204,946</u>	<u>583,958</u>	<u>-</u>	<u>11,066</u>
Excess (deficiency) of receipts over disbursements	<u>(1,170,585)</u>	<u>276</u>	<u>(42,835)</u>	<u>402,762</u>	<u>(118,949)</u>	<u>19,332</u>	<u>5,992</u>
Cash and investments - ending	<u>\$ 865,353</u>	<u>\$ 2,087</u>	<u>\$ 620</u>	<u>\$ 2,648,919</u>	<u>\$ 678,894</u>	<u>\$ 27,693</u>	<u>\$ 72,184</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	COIT County Distributive Shares	Community Transition Program	Congressional School Interest	Congressional School Principal	Prisoner Reimbursement For Incarceration	Sales Disclosure- County Share	Cumulative Bridge
Cash and investments - beginning	\$ 7,852,661	\$ 66,074	\$ 33,082	\$ 42,619	\$ 359,004	\$ 59,030	\$ 560,078
Receipts:							
Taxes	2,020,784	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	14,325	-	-	-	-	453,042
Charges for services	-	-	-	-	86,555	5,810	4,461
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	600,632	-	-	-	16,140	-	101,992
Total receipts	2,621,416	14,325	-	-	102,695	5,810	559,495
Disbursements:							
Personal services	1,050,543	-	-	-	45,248	-	-
Supplies	295,071	-	-	-	59,054	-	88,631
Other services and charges	1,491,417	4,813	-	-	23,078	-	43,361
Capital outlay	1,117,452	-	-	-	78,060	-	256,943
Other disbursements	650,000	-	1,705	-	256,975	1,655	-
Total disbursements	4,604,483	4,813	1,705	-	462,415	1,655	388,935
Excess (deficiency) of receipts over disbursements	(1,983,067)	9,512	(1,705)	-	(359,720)	4,155	170,560
Cash and investments - ending	\$ 5,869,594	\$ 75,586	\$ 31,377	\$ 42,619	\$ (716)	\$ 63,185	\$ 730,638

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Cumulative Drainage	Drug Free Community	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess
Cash and investments - beginning	\$ 572,121	\$ 26,272	\$ 1,423	\$ 225,020	\$ 27,359	\$ 15,487	\$ 28,359
Receipts:							
Taxes	795,921	-	-	-	170,973	-	-
Licenses and permits	-	-	-	-	112,755	-	-
Intergovernmental receipts	-	-	-	-	3,130	-	-
Charges for services	-	-	-	-	141,817	2,985	-
Fines and forfeits	-	34,253	10,030	-	-	-	-
Other receipts	420	-	-	-	-	-	-
Total receipts	796,341	34,253	10,030	-	428,675	2,985	-
Disbursements:							
Personal services	-	-	-	-	299,695	-	-
Supplies	-	-	-	-	2,328	-	-
Other services and charges	655,409	48,750	8,361	-	3,673	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	396	-	-	78,350	-	-	-
Total disbursements	655,805	48,750	8,361	78,350	305,696	-	-
Excess (deficiency) of receipts over disbursements	140,536	(14,497)	1,669	(78,350)	122,979	2,985	-
Cash and investments - ending	\$ 712,657	\$ 11,775	\$ 3,092	\$ 146,670	\$ 150,338	\$ 18,472	\$ 28,359

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Local Health Maintenance	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Park Nonreverting Capital	Park Nonreverting Operating	Planning and Zoning Impact
Cash and investments - beginning	\$ 61,168	\$ 273,390	\$ 48,521	\$ 1,041,065	\$ 96,182	\$ 36,398	\$ 17,320
Receipts:							
Taxes	-	-	-	-	-	-	51,476
Licenses and permits	-	-	-	-	-	-	8,483
Intergovernmental receipts	33,139	-	27,832	3,110,410	-	-	942
Charges for services	-	7,200	-	-	45,656	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	362,807	-	83,543	49,253	35,450	50,000
Total receipts	<u>33,139</u>	<u>370,007</u>	<u>27,832</u>	<u>3,193,953</u>	<u>94,909</u>	<u>35,450</u>	<u>110,901</u>
Disbursements:							
Personal services	15,733	-	28,678	1,325,261	4,285	-	99,020
Supplies	5,145	373,923	3,363	689,721	10,113	-	1,447
Other services and charges	1,731	-	-	357,155	33,221	-	6,389
Capital outlay	-	-	-	833,675	30,988	-	-
Other disbursements	-	-	-	-	2,471	7,360	-
Total disbursements	<u>22,609</u>	<u>373,923</u>	<u>32,041</u>	<u>3,205,812</u>	<u>81,078</u>	<u>7,360</u>	<u>106,856</u>
Excess (deficiency) of receipts over disbursements	<u>10,530</u>	<u>(3,916)</u>	<u>(4,209)</u>	<u>(11,859)</u>	<u>13,831</u>	<u>28,090</u>	<u>4,045</u>
Cash and investments - ending	<u>\$ 71,698</u>	<u>\$ 269,474</u>	<u>\$ 44,312</u>	<u>\$ 1,029,206</u>	<u>\$ 110,013</u>	<u>\$ 64,488</u>	<u>\$ 21,365</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Plat Book	Rainy Day	Reassessment- 2015	Recorder's Records Perpetuation	Riverboat	Solid Waste User Fees	Surplus Tax
Cash and investments - beginning	\$ 5,427	\$ 4,096,216	\$ 1,019,787	\$ 135,593	\$ 248,815	\$ (6,955)	\$ 192,701
Receipts:							
Taxes	-	-	251,864	-	-	-	41,157
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	4,611	-	83,077	-	-
Charges for services	-	-	-	52,829	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	5,004	-	-	135,194	-
Total receipts	-	-	261,479	52,829	83,077	135,194	41,157
Disbursements:							
Personal services	-	-	4,764	32,315	-	128,239	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	136,967	-	-	-	-
Capital outlay	-	-	12,650	-	-	-	-
Other disbursements	-	-	500,000	60,216	-	-	30,296
Total disbursements	-	-	654,381	92,531	-	128,239	30,296
Excess (deficiency) of receipts over disbursements	-	-	(392,902)	(39,702)	83,077	6,955	10,861
Cash and investments - ending	<u>\$ 5,427</u>	<u>\$ 4,096,216</u>	<u>\$ 626,885</u>	<u>\$ 95,891</u>	<u>\$ 331,892</u>	<u>\$ -</u>	<u>\$ 203,562</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Guardian Ad Litem	GAL/CASA	Auditors Ineligible Deductions
Cash and investments - beginning	\$ 15,630	\$ 54,352	\$ 376,914	\$ 49,472	\$ 1,832	\$ -	\$ 10,963
Receipts:							
Taxes	-	250,312	124,416	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	22,332	-	21,004	-
Charges for services	7,285	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,285</u>	<u>250,312</u>	<u>124,416</u>	<u>22,332</u>	<u>-</u>	<u>21,004</u>	<u>-</u>
Disbursements:							
Personal services	6,765	-	-	5,370	-	-	-
Supplies	-	-	-	8,167	-	-	-
Other services and charges	1,086	85,963	-	1,567	-	-	-
Capital outlay	7,250	-	-	-	-	-	-
Other disbursements	-	187,898	224,606	-	-	21,004	-
Total disbursements	<u>15,101</u>	<u>273,861</u>	<u>224,606</u>	<u>15,104</u>	<u>-</u>	<u>21,004</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(7,816)</u>	<u>(23,549)</u>	<u>(100,190)</u>	<u>7,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,814</u>	<u>\$ 30,803</u>	<u>\$ 276,724</u>	<u>\$ 56,700</u>	<u>\$ 1,832</u>	<u>\$ -</u>	<u>\$ 10,963</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	County Elected Officials Training	Park and Recreation	Statewide 911	Adult Probation Administrative	Juvenile Probation Administrative	TMA Audit- Assessor	TIF Capital Projects
Cash and investments - beginning	\$ 10,836	\$ 105,387	\$ 214,293	\$ 11,824	\$ 11,647	\$ -	\$ 2,062,974
Receipts:							
Taxes	-	419,160	-	-	-	-	372,269
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	7,673	-	-	-	-	-
Charges for services	-	-	433,560	54,159	-	63,887	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,985	100,499	-	-	-	-	-
Total receipts	<u>2,985</u>	<u>527,332</u>	<u>433,560</u>	<u>54,159</u>	<u>-</u>	<u>63,887</u>	<u>372,269</u>
Disbursements:							
Personal services	-	310,619	143,425	41,913	-	-	-
Supplies	-	28,948	-	-	-	-	-
Other services and charges	-	45,251	190,894	-	-	-	-
Capital outlay	-	24,212	-	-	-	-	-
Other disbursements	120	100,149	-	-	-	-	2,158,673
Total disbursements	<u>120</u>	<u>509,179</u>	<u>334,319</u>	<u>41,913</u>	<u>-</u>	<u>-</u>	<u>2,158,673</u>
Excess (deficiency) of receipts over disbursements	<u>2,865</u>	<u>18,153</u>	<u>99,241</u>	<u>12,246</u>	<u>-</u>	<u>63,887</u>	<u>(1,786,404)</u>
Cash and investments - ending	<u>\$ 13,701</u>	<u>\$ 123,540</u>	<u>\$ 313,534</u>	<u>\$ 24,070</u>	<u>\$ 11,647</u>	<u>\$ 63,887</u>	<u>\$ 276,570</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Self-Insurance	Payroll Clearing	Payroll Withholding- Federal	Payroll Withholding- FICA & Medicare	Payroll Withholding- PERF	Payroll Withholding- State	Settlement
Cash and investments - beginning	\$ 1,441,679	\$ 280	\$ 54	\$ (105)	\$ 13,377	\$ (27)	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	39,600,775
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,777,902	102,989	733,160	1,094,914	835,930	320,234	-
Total receipts	2,777,902	102,989	733,160	1,094,914	835,930	320,234	39,600,775
Disbursements:							
Personal services	2,371,692	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	103,022	733,214	1,094,809	835,930	320,207	39,600,775
Total disbursements	2,371,692	103,022	733,214	1,094,809	835,930	320,207	39,600,775
Excess (deficiency) of receipts over disbursements	406,210	(33)	(54)	105	-	27	-
Cash and investments - ending	\$ 1,847,889	\$ 247	\$ -	\$ -	\$ 13,377	\$ -	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	CVET Agency	Financial Institution Tax	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines	Special Death Benefit
Cash and investments - beginning	\$ -	\$ -	\$ 30,173	\$ 17,287	\$ 103,337	\$ 131	\$ 220
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	373,538	405,751	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	52,497	40,246	-	-
Other receipts	-	-	-	-	-	-	3,860
Total receipts	<u>373,538</u>	<u>405,751</u>	<u>-</u>	<u>52,497</u>	<u>40,246</u>	<u>-</u>	<u>3,860</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	373,538	405,751	-	64,420	140,643	131	3,780
Total disbursements	<u>373,538</u>	<u>405,751</u>	<u>-</u>	<u>64,420</u>	<u>140,643</u>	<u>131</u>	<u>3,780</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,923)</u>	<u>(100,397)</u>	<u>(131)</u>	<u>80</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,173</u>	<u>\$ 5,364</u>	<u>\$ 2,940</u>	<u>\$ -</u>	<u>\$ 300</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Sales Disclosure- State Share	Coroners Training & Con't Education	Mortgage Recording Fees- State Share	Inheritance Tax	Education Plate Fees Agency	Riverboat Revenue Sharing	Innkeepers Tax Collections	CEDIT Distribution
Cash and investments - beginning	\$ -	\$ 334	\$ 213	\$ 139,196	\$ -	\$ -	\$ 68,475	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	324,461	2,990,615
Licenses and permits	-	-	-	-	788	-	-	-
Intergovernmental receipts	-	-	-	2,258	-	144,638	-	-
Charges for services	2,340	5,700	2,845	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>2,340</u>	<u>5,700</u>	<u>2,845</u>	<u>2,258</u>	<u>788</u>	<u>144,638</u>	<u>324,461</u>	<u>2,990,615</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	339,166	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	<u>1,975</u>	<u>5,588</u>	<u>2,785</u>	<u>25,021</u>	<u>788</u>	<u>144,638</u>	<u>-</u>	<u>2,990,615</u>
Total disbursements	<u>1,975</u>	<u>5,588</u>	<u>2,785</u>	<u>25,021</u>	<u>788</u>	<u>144,638</u>	<u>339,166</u>	<u>2,990,615</u>
Excess (deficiency) of receipts over disbursements	<u>365</u>	<u>112</u>	<u>60</u>	<u>(22,763)</u>	<u>-</u>	<u>-</u>	<u>(14,705)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 365</u>	<u>\$ 446</u>	<u>\$ 273</u>	<u>\$ 116,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,770</u>	<u>\$ -</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	COIT Distribution	93.563 Prosecutor PCA	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive- Post Oct '99	93.563 Clerk IV-D Incentive- Post Oct '99	Pre-Trial Diversion Fund
Cash and investments - beginning	\$ -	\$ 30,000	\$ 11,842	\$ 63,395	\$ 26,264	\$ 63,093	\$ 4,086
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	4,272,058	-	-	-	-	-	-
Charges for services	-	-	-	10,466	15,913	2,537	-
Fines and forfeits	-	7,585	-	-	-	7,929	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>4,272,058</u>	<u>7,585</u>	<u>-</u>	<u>10,466</u>	<u>15,913</u>	<u>10,466</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	6,171	9,824	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	18,894	-	-	-	133	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>4,272,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,556</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>4,272,058</u>	<u>18,894</u>	<u>-</u>	<u>-</u>	<u>23,727</u>	<u>9,957</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(11,309)</u>	<u>-</u>	<u>10,466</u>	<u>(7,814)</u>	<u>509</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 18,691</u>	<u>\$ 11,842</u>	<u>\$ 73,861</u>	<u>\$ 18,450</u>	<u>\$ 63,602</u>	<u>\$ 4,086</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Inmate Workforce Donation	Vicki Harmon Donation Fund	KC Law Enforcement Donation	Park Donation- Christmas	MADD- Mothers Against Drunk Drivers	After Settlement Collections	Supplemental- Clerk Odyssey/ Trust
Cash and investments - beginning	\$ 1,344	\$ 10,255	\$ 175	\$ 12,526	\$ 3,525	\$ 1,182,330	\$ 1,086,897
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,320	1,954	-	8,477	-	973,285	2,848,496
Total receipts	<u>1,320</u>	<u>1,954</u>	<u>-</u>	<u>8,477</u>	<u>-</u>	<u>973,285</u>	<u>2,848,496</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,344	12,110	-	11,799	-	1,182,330	3,115,521
Total disbursements	<u>1,344</u>	<u>12,110</u>	<u>-</u>	<u>11,799</u>	<u>-</u>	<u>1,182,330</u>	<u>3,115,521</u>
Excess (deficiency) of receipts over disbursements	<u>(24)</u>	<u>(10,156)</u>	<u>-</u>	<u>(3,322)</u>	<u>-</u>	<u>(209,045)</u>	<u>(267,025)</u>
Cash and investments - ending	<u>\$ 1,320</u>	<u>\$ 99</u>	<u>\$ 175</u>	<u>\$ 9,204</u>	<u>\$ 3,525</u>	<u>\$ 973,285</u>	<u>\$ 819,872</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Supplemental- Clerk ISETS	Supplemental- Sheriff- Inmate Trust	Supplemental- Sheriff Commissary	Supplemental- Sheriff Buy Money	Supplemental- Knox County Benefit Trust	Supplemental- Landfill Retainage	Community Corrections Grant
Cash and investments - beginning	\$ 4,645	\$ 3,283	\$ 16,006	\$ 295	\$ 153,445	\$ 27,707	\$ 40,523
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	246,297
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	739,239	276,107	240,764	-	2,152,812	14	-
Total receipts	<u>739,239</u>	<u>276,107</u>	<u>240,764</u>	<u>-</u>	<u>2,152,812</u>	<u>14</u>	<u>246,297</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	286,819
Capital outlay	-	-	-	-	-	-	-
Other disbursements	739,573	276,267	245,534	-	1,912,002	-	-
Total disbursements	<u>739,573</u>	<u>276,267</u>	<u>245,534</u>	<u>-</u>	<u>1,912,002</u>	<u>-</u>	<u>286,819</u>
Excess (deficiency) of receipts over disbursements	<u>(334)</u>	<u>(160)</u>	<u>(4,770)</u>	<u>-</u>	<u>240,810</u>	<u>14</u>	<u>(40,522)</u>
Cash and investments - ending	<u>\$ 4,311</u>	<u>\$ 3,123</u>	<u>\$ 11,236</u>	<u>\$ 295</u>	<u>\$ 394,255</u>	<u>\$ 27,721</u>	<u>\$ 1</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Community Corrections 15-16 Grant	NK Waste Water Plan Grant	Community Correction Grant 09	Landfill	Probation Users Fees- Adult	Probation Users Fees- Juvenile	Clerks User Fees
Cash and investments - beginning	\$ 20	\$ 423	\$ 3,906	\$ 1,524	\$ 8,913	\$ 39,713	\$ 10,405
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	316,667	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	201,222	6,800	-
Other receipts	-	-	-	-	-	-	10,097
Total receipts	<u>316,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,222</u>	<u>6,800</u>	<u>10,097</u>
Disbursements:							
Personal services	-	-	-	-	148,972	24,619	3,454
Supplies	-	-	-	-	15,473	-	-
Other services and charges	295,332	-	-	-	10,110	-	6,100
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	550	-	-
Total disbursements	<u>295,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,105</u>	<u>24,619</u>	<u>9,554</u>
Excess (deficiency) of receipts over disbursements	<u>21,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,117</u>	<u>(17,819)</u>	<u>543</u>
Cash and investments - ending	<u>\$ 21,355</u>	<u>\$ 423</u>	<u>\$ 3,906</u>	<u>\$ 1,524</u>	<u>\$ 35,030</u>	<u>\$ 21,894</u>	<u>\$ 10,948</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Prosecutor User Fees	Alcohol & Drug User Fees	Community Correction Project Income	Circuit Court Bail	Superior II Bail Fund	Superior I Bail Agency Fund	Circuit Court Bail Agency Fund
Cash and investments - beginning	\$ 168,974	\$ 149,593	\$ 311,268	\$ 10,250	\$ 63,556	\$ 4,725	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	121,042	114,795	759,486	-	59,594	9,894	4,745
Other receipts	615	3,078	20	-	-	-	10,250
Total receipts	<u>121,657</u>	<u>117,873</u>	<u>759,506</u>	<u>-</u>	<u>59,594</u>	<u>9,894</u>	<u>14,995</u>
Disbursements:							
Personal services	85,000	84,981	425,568	-	-	-	-
Supplies	12,167	5,442	110,146	-	-	-	-
Other services and charges	36,884	10,161	127,415	-	82,459	81	-
Capital outlay	8,134	597	53,454	-	29,465	-	-
Other disbursements	-	4,900	486	10,250	-	-	-
Total disbursements	<u>142,185</u>	<u>106,081</u>	<u>717,069</u>	<u>10,250</u>	<u>111,924</u>	<u>81</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(20,528)</u>	<u>11,792</u>	<u>42,437</u>	<u>(10,250)</u>	<u>(52,330)</u>	<u>9,813</u>	<u>14,995</u>
Cash and investments - ending	<u>\$ 148,446</u>	<u>\$ 161,385</u>	<u>\$ 353,705</u>	<u>\$ -</u>	<u>\$ 11,226</u>	<u>\$ 14,538</u>	<u>\$ 14,995</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Tilly Ditch	904101 Sheriff Donation Fund	Donations- Monument Restoration	DARE Program	Law Enforcement	Sheriff Donation	Solid Waste- Auditor
Cash and investments - beginning	\$ -	\$ 20,419	\$ 3,076	\$ 7,452	\$ 23,447	\$ -	\$ 6,145
Receipts:							
Taxes	31,644	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	756
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,252	-	-	256,975	15,100	-
Total receipts	<u>31,644</u>	<u>2,252</u>	<u>-</u>	<u>-</u>	<u>256,975</u>	<u>15,100</u>	<u>756</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	266
Other services and charges	-	-	-	5,803	-	-	-
Capital outlay	-	-	-	-	269,328	-	4,990
Other disbursements	1,033	6,235	-	-	11,094	15,000	-
Total disbursements	<u>1,033</u>	<u>6,235</u>	<u>-</u>	<u>5,803</u>	<u>280,422</u>	<u>15,000</u>	<u>5,256</u>
Excess (deficiency) of receipts over disbursements	<u>30,611</u>	<u>(3,983)</u>	<u>-</u>	<u>(5,803)</u>	<u>(23,447)</u>	<u>100</u>	<u>(4,500)</u>
Cash and investments - ending	<u>\$ 30,611</u>	<u>\$ 16,436</u>	<u>\$ 3,076</u>	<u>\$ 1,649</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 1,645</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Solid Waste- Treas.	Probation Home Monitoring	In Lieu Of Road Bond	Solid Waste Fee- Assessor	Surplus Dog Tax Fund	Health Clinic	IDACS (E-911)
Cash and investments - beginning	\$ 10,553	\$ 87,815	\$ 6,864	\$ -	\$ 2,302	\$ 255	\$ 3,660
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	756	-	-	3,902	-	-	3,000
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	201,702	-	-	-	-	-
Total receipts	<u>756</u>	<u>201,702</u>	<u>-</u>	<u>3,902</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Disbursements:							
Personal services	-	178,696	-	-	-	-	-
Supplies	-	1,438	-	-	-	-	-
Other services and charges	-	1,320	-	-	-	-	2,098
Capital outlay	5,418	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>5,418</u>	<u>181,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,098</u>
Excess (deficiency) of receipts over disbursements	<u>(4,662)</u>	<u>20,248</u>	<u>-</u>	<u>3,902</u>	<u>-</u>	<u>-</u>	<u>902</u>
Cash and investments - ending	<u>\$ 5,891</u>	<u>\$ 108,063</u>	<u>\$ 6,864</u>	<u>\$ 3,902</u>	<u>\$ 2,302</u>	<u>\$ 255</u>	<u>\$ 4,562</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Infraction Judgement	Hazardous Substance Response	PTRC & "HC" Holding Fund	Victim Assistant	Superior Court Group Home	Adult Protective Service	Drug Abuse Prosec.
Cash and investments - beginning	\$ 1,225	\$ 276	\$ 80	\$ 103	\$ 500	\$ 11,450	\$ 123,610
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 1,225</u>	<u>\$ 276</u>	<u>\$ 80</u>	<u>\$ 103</u>	<u>\$ 500</u>	<u>\$ 11,450</u>	<u>\$ 123,610</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Hillcrest Ins. Settlement 2006	DUI Task Force 2011	Victims Assistance Grant	Co Health Bioterrorism	EMA Performance Grant	Drug Abuse
Cash and investments - beginning	\$ 222,911	\$ 1,311	\$ 514	\$ (51)	\$ (5,232)	\$ 14,023
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	4,453	-	27,193	41,005	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	10,401
Other receipts	-	-	-	-	-	-
Total receipts	-	4,453	-	27,193	41,005	10,401
Disbursements:						
Personal services	-	3,431	-	-	-	-
Supplies	-	-	-	1,362	-	-
Other services and charges	-	-	-	18,532	5,599	-
Capital outlay	-	-	-	-	29,281	-
Other disbursements	-	1,318	-	-	-	-
Total disbursements	-	4,749	-	19,894	34,880	-
Excess (deficiency) of receipts over disbursements	-	(296)	-	7,299	6,125	10,401
Cash and investments - ending	\$ 222,911	\$ 1,015	\$ 514	\$ 7,248	\$ 893	\$ 24,424

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Van Go Grant	Local Emergency Planning Grant	IN Criminal Justice Institute	Operation Pull Over	White River Valley Drug Task Force	Probation LCC
Cash and investments - beginning	\$ -	\$ 11,101	\$ -	\$ (1,056)	\$ 670	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	580,280	11,243	30,497	6,504	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	321	-	7,000
Total receipts	<u>580,280</u>	<u>11,243</u>	<u>30,497</u>	<u>6,825</u>	<u>-</u>	<u>7,000</u>
Disbursements:						
Personal services	-	-	27,592	6,636	-	-
Supplies	-	-	-	-	-	5,647
Other services and charges	-	5,970	-	7,490	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>580,280</u>	<u>5,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>580,280</u>	<u>11,150</u>	<u>27,592</u>	<u>14,126</u>	<u>-</u>	<u>5,647</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>93</u>	<u>2,905</u>	<u>(7,301)</u>	<u>-</u>	<u>1,353</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 11,194</u>	<u>\$ 2,905</u>	<u>\$ (8,357)</u>	<u>\$ 670</u>	<u>\$ 1,353</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Proslink Implementation Proj	Disaster Public Assistance	2011 Homeland Security Grant	Court Interpreter Grant	Migrant Housing	Totals
Cash and investments - beginning	\$ 2,496	\$ 1,142	\$ 210	\$ -	\$ -	\$ 31,146,899
Receipts:						
Taxes	-	-	-	-	-	56,739,867
Licenses and permits	-	-	-	-	-	145,573
Intergovernmental receipts	-	-	-	862	161,576	10,591,716
Charges for services	-	-	-	-	-	1,758,416
Fines and forfeits	-	-	-	-	-	1,647,978
Other receipts	-	-	-	-	-	16,350,093
Total receipts	-	-	-	862	161,576	87,233,643
Disbursements:						
Personal services	-	-	-	-	-	13,149,662
Supplies	-	-	-	-	-	2,432,711
Other services and charges	-	-	-	-	-	8,568,282
Capital outlay	-	-	-	-	-	3,445,849
Other disbursements	-	-	-	205	161,576	64,520,647
Total disbursements	-	-	-	205	161,576	92,117,151
Excess (deficiency) of receipts over disbursements	-	-	-	657	-	(4,883,508)
Cash and investments - ending	<u>\$ 2,496</u>	<u>\$ 1,142</u>	<u>\$ 210</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ 26,263,391</u>

KNOX COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 549,066</u>	<u>\$ -</u>

KNOX COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Caterpillar	140M Caterpillar Motor Grader	\$ 23,000	10/31/11	10/31/16
Caterpillar	M316D Wheel Excavator SN: D6W00938	27,500	04/04/13	04/04/17
Caterpillar	M316D Wheel Excavator SN: D6W00942	27,500	04/04/13	04/04/17
Caterpillar	140M3 Grader	21,962	11/01/14	11/01/17
John Deere	Tractor Loader Boom	16,611	04/03/14	04/03/19
Westport Auto	Dodge Avenger-Health Dept.	<u>9,720</u>	01/01/13	01/01/16
Total of annual lease payments		<u>\$ 126,293</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General Obligation Bonds	Land for Industrial Park-2001	\$ 1,250,000	\$ 251,793
General Obligation Bonds	New Jail-2005 Special Edit	5,735,000	924,875
Notes and Loans Payable	Enhanced E911 Loan	<u>251,865</u>	<u>91,249</u>
Totals		<u>\$ 7,236,865</u>	<u>\$ 1,267,917</u>

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 FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Knox County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004. Our opinion on the major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance


Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004 that we consider to be a material weakness.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 16, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

KNOX COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Migrant Farm Worker Housing	IN Housing and Community Development Authority	14.228	HD-013-010	\$ 161,576	\$ 161,576
Total - Department of Housing and Urban Development				161,576	161,576
<u>Department of Justice</u>					
Crime Victim Assistance VOCA - Prosecutor's Office	IN Criminal Justice Institute	16.575	2014-VA-GX-0062	-	24,210
Total - Department of Justice				-	24,210
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection	IN Dept of Transportation	20.205	800129777100LC6	-	30,826
Total - Highway Planning and Construction Cluster				-	30,826
Highway Safety Cluster State and Community Highway Safety Operation Pull Over	IN Criminal Justice Institute	20.600	032HNT164HE2015	-	16,030
Occupant Protection Incentive Grants Seatbelt - Rural Demonstration Project	IN Criminal Justice Institute	20.602	032NHNTS405B2015	-	1,214
Total - Highway Safety Cluster				-	17,244
Formula Grants for Rural Areas ARRA - Van Go Operating Van Go Operating	IN Dept of Transportation	20.509	18032470 A249-15-320479	95,130 354,539	95,130 354,539
Total - Formula Grants for Rural Areas				449,669	449,669
Total - Department of Transportation				449,669	497,739
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Health Preparedness/Bioterrorism	IN Dept of Health	93.074	A70-5-0532451	-	27,193
Child Support Enforcement Prosecutor IV-D Expenditures Clerk IV-D Expenditures Co. General IV-D Indirect Costs Prosecutor IV-D Incentives Clerk IV-D Incentives	IN Dept of Child Services	93.563		-	101,335 17,596 39,989 23,727 9,957
Total - Child Support Enforcement				-	192,604
Total - Department of Health and Human Services				-	219,797
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMPG Budget EMPG Camera Equipment EMPG Deobligates	IN Dept of Homeland Security	97.042	C44P-5-729B C44P-5-547B C44P-6-017B	-	8,937 8,485 14,181
Total - Emergency Management Performance Grants				-	31,603
Homeland Security Grant Program EMA Performance Grant Local Emer Planning Grant	IN Dept of Homeland Security	97.067	C44P-5-599B C44P-5-693B	-	13,158 6,524
Total - Homeland Security Grants				-	19,682
Total - Department of Homeland Security				-	51,285
Total federal awards expended				\$ 611,245	\$ 954,607

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
20.509	Formula Grants for Rural Areas	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Condition

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County Auditor entered and submitted federal award information into the Indiana Gateway for Government Unit Financial system, which is the source for the County's SEFA. There was no evidence of a control, such as an oversight, review, or approval process by the County to ensure federal award information entered and submitted was correct.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The following material errors were noted on the SEFA:

- Three federal programs, with expenditures of \$243,112, were omitted.
- Four federal programs' expenditures were overstated in the amount of \$15,131 and one federal program's expenditures were understated in the amount of \$9,526.
- Four programs in the amount of \$200,571 were state funded.
- There were numerous errors in program titles, project titles, and/or identifying numbers.
- Three federal programs had funding passed through to subrecipients. The amounts passed through were not indicated on the SEFA.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of federal award information on the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-002 - INTERNAL CONTROLS AND COMPLIANCE
OVER FINANCIAL TRANSACTIONS AND REPORTING**

Condition

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR). The County Auditor entered and submitted the financial information for the County into the Indiana Gateway for Government Units financial system. This information is used to compile the County's Annual Financial Report (AFR) and financial statement. There was no evidence of a control, such as an oversight, review, or approval process, to ensure the accuracy of the information entered and submitted.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County's AFR and financial statement contained the following errors:

- Two outside departmental funds were not included that should have been.
- Eight county funds' financial information was omitted entirely.
- The After Settlement Collections fund receipts and disbursements were incorrect.

The net difference of the errors resulted in an understatement of reported receipts and disbursements of \$7,230,063 and \$7,970,251, respectively; and an understatement of the beginning and ending cash and investment balances of \$2,199,178 and \$1,458,990, respectively.

Audit adjustments were proposed, accepted by the County, and made to the County's AFR and financial statement.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Cause

Management of the County had not established a proper system of internal control and ensured that the information reported in the AFR and financial statement was complete and accurate.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the AFR and financial statement remained undetected. The AFR financial statement contained the errors identified in the *Condition*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - CLERK OF THE CIRCUIT COURT

Condition

There was the following deficiency in the internal control system of the Clerk of the Circuit Court related to financial transactions and reporting.

Lack of Segregation of Duties: The Clerk of the Circuit Court had not separated incompatible activities related to disbursements. The First Deputy of the Clerk of the Circuit Court's office was responsible for writing checks, posting checks, making adjustments in the computer system, and maintaining the check stock. The First Deputy was also responsible for preparing the monthly reconciliation. The Clerk of the Circuit Court's signature was automatically printed onto the checks and disbursements were made with no evidence of oversight, review, or approval.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the County had not established a proper system of internal control over the Clerk of the Circuit Court's disbursements, including segregation of duties.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

**FINDING 2015-004 - SPECIAL TESTS AND PROVISIONS -
SEPARATE ACCOUNTABILITY FOR ARRA FUNDING**

Federal Agency: Department of Transportation
Federal Program: Formula Grants for Rural Areas
CFDA Number: 20.509
Federal Award Number and Year (or Other Identifying Number): 18032470
Pass-Through Entity: Indiana Department of Transportation

Condition

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Separate Accountability for ARRA Funding compliance requirement. The following noncompliance was noted:

- The County did not account for ARRA expenditures separately from expenditures of non-ARRA funds on their ledger.
- The County did not notify the subrecipient at the time of subaward and disbursement of funds, the (a) Federal award number, (b) CFDA number, (c) the amount of ARRA funds.

Context

No control procedures had been established for the audit period to ensure that ARRA - Formula Grants for Rural Areas were maintained by separate records from Formula Grants for Rural Areas.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 176.210 states in part:

"The award term described in this section shall be used by agencies to clarify recipient responsibilities regarding tracking and documenting Recovery Act expenditures:

(a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215.21 'Uniform Administrative Requirements for Grants and Agreements' and OMB Circular A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds. . . .

(c) Recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program. . . ."

Cause

Management had not developed a system that adequately segregated ARRA and non-ARRA expenditures. There was not an adequate internal control system in place to ensure compliance with the Special Tests and Provisions - Separate Accountability for ARRA Funding requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

Questioned Costs

There were no questioned costs identified.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the County's management establish controls and implement procedures to comply with the grant agreement and compliance requirement listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Summary Schedule of Prior Audit Findings

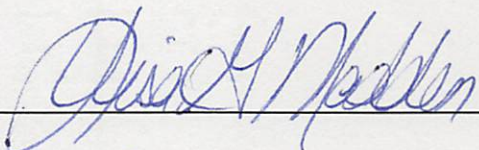
Finding 2014-001

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Lisa Madden, Knox County Auditor

Contact Phone Number: 812-885-2502

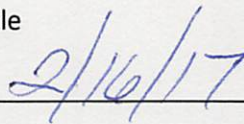
Status of Audit Finding: We are working on better procedures to implement the corrective action plan presented in the SBOA 2014 Audit Report. We anticipate these procedures to be implemented by June 1, 2017.



Signature



Title



Date

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Summary Schedule of Prior Audit Findings

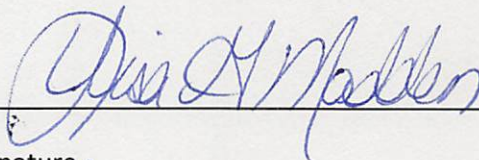
Finding 2014-002

Fiscal year in which the finding initially occurred: 2014

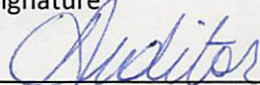
Contact Person Responsible for Corrective Action: Lisa Madden, Knox County Auditor

Contact Phone Number: 812-885-2502

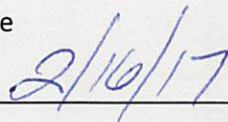
Status of Audit Finding: We are working on better procedures to implement the corrective action plan presented in the SBOA 2014 Audit Report. We anticipate these procedures to be implemented by June 1, 2017.



Signature



Title



Date

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Summary Schedule of Prior Audit Findings

Finding 2014-003

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Lisa Madden, Knox County Auditor

Contact Phone Number: 812-885-2502

Status of Audit Finding: We are working on better procedures to implement the corrective action plan presented in the SBOA 2014 Audit Report. We anticipate these procedures to be implemented by June 1, 2017.

Signature

Title

Date

KNOX COUNTY CLERK
111 N. 7TH ST. STE 28
VINCENNES, IN 47591

February 16, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: Terri Allen, Knox County Clerk

Contact Phone Number: 812-895-4927

Statue of Audit Finding:

We are working on better procedures for the Clerk to stay more hands on with the bookkeeping position. The Clerk will review and sign monthly check registers and the monthly reconciliation report.

We anticipate these procedures to be implemented by February 16, 2017.



Knox County Clerk

February 16, 2017

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Corrective Action Plan

Finding 2015-001

Contact Person Responsible for Corrective Action: Lisa Madden Knox County Auditor

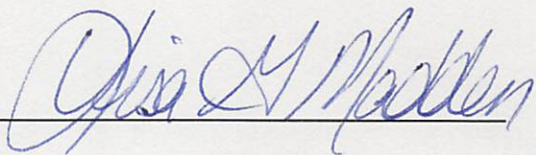
Contact Phone Number: 812-885-2502

Views of Responsible Official: This finding is something the Auditor and Bookkeeper will work diligently in getting SEFA reported accurately.


Description of Corrective Action Plan: Since this has been brought to our attention, the following steps have been taken to assure compliance:

2015-001 1) As Auditor, along with my Deputy Auditor will be working together to ensure accurate reporting on the SEFA.

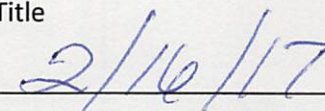
Anticipated Completion Date: 02/16/2017



Signature



Title



Date

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Corrective Action Plan

Finding 2015-002

Contact Person Responsible for Corrective Action: Lisa Madden Knox County Auditor

Contact Phone Number: 812-885-2502

Views of Responsible Official: This finding is something the Auditor and Bookkeeper will work diligently in getting fund balances reported accurately on all funds.

Description of Corrective Action Plan: Since this has been brought to our attention, the following steps have been taken to assure compliance:

2015-002 1) As Auditor, along with my Deputy Auditor, will be working together to ensure accurate reporting on all funds after discussion with SBOA, we now have understanding on how to complete the correct reporting of all funds on Gateway.

Anticipated Completion Date: 02/16/2017

Signature

Title

Date

KNOX COUNTY CLERK
111 N. 7TH ST. STE 28
VINCENNES, IN 47591
812-895-4926

February 16, 2017

CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Terri Allen, Knox County Clerk
Contact Phone Number: 812-895-4927

We concur with the findings.

Description of Corrective Action Plan:

Terri Allen, Knox County Clerk, will review and sign a check disbursement report that shows all checks disbursed out of the Trust account for each month, she will also review and sign the Reconciliation Report. The reports will be maintained in the month end Odyssey reports book.

Anticipated Completion Date: February 16, 2017

Terri Allen

Knox County Clerk

February 16, 2017

KNOX COUNTY AUDITOR

Lisa G. Madden

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502



Corrective Action Plan

Finding 2015-004

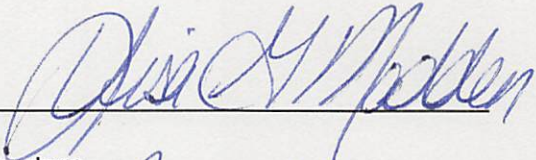
Contact Person Responsible for Corrective Action: Lisa Madden Knox County Auditor

Contact Phone Number: 812-885-2502

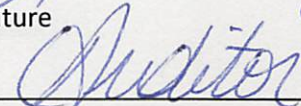
Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan: In the future federal program records of Formula Grants for Rural Areas and ARRA-Formula Grants for Rural Areas will not be combined into the same fund. The ARRA funds will be maintained separately. The County will provide all pertinent grant information to the sub-recipients.

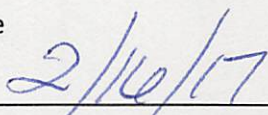
Anticipated Completion Date: 02/16/2017



Signature



Title



Date

Date

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.