

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, 2016 to December 31, 2016



FILED
11/30/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lisa Madden	01-01-15 to 12-31-18
County Treasurer	Brenda Hall	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 Recorder	Lisa Clark-Benock	01-01-15 to 12-31-18
President of the Board of County Commissioners	Larry Holscher Kellie Streeter	01-01-16 to 12-31-16 01-01-17 to 12-31-18
President of the County Council	Robert Lechner	01-01-16 to 12-31-18



STATE OF INDIANA
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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, 2016, 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 (IC 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, 2016.

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, 2016, 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 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 November 14, 2018, 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 solely 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 effectiveness of the County's 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

November 14, 2018



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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, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 14, 2018, 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 2016-001 and 2016-002, 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 2016-001 and 2016-002.

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

November 14, 2018

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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, 2016

Fund	Cash and Investments		Cash and Investments	
	01-01-16	Receipts	Disbursements	12-31-16
Treasurer Demand and Judgements	\$ -	\$ 8,202	\$ 8,202	\$ -
General	865,353	10,809,666	10,522,568	1,152,451
Accident Report	2,087	502	-	2,589
Bid Deposits and Bond Holding	620	25,602	23,364	2,858
CEDIT County Share	2,648,919	1,611,783	893,584	3,367,118
CEDIT - Special Legislation	678,894	184	252,876	426,202
City and Town Court Costs	27,693	22,355	-	50,048
Clerk's Records Perpetuation	72,184	28,501	-	100,685
COIT County Distributive Shares	5,869,594	2,247,007	3,090,353	5,026,248
Community Corrections	21,356	636,587	620,243	37,700
Community Transition Program	75,586	32,425	15,097	92,914
Congressional School Interest	31,377	-	-	31,377
Congressional School Principal	42,619	-	-	42,619
Prisoner Reimbursement for Incarceration	(716)	392,280	170,625	220,939
Sales Disclosure - County Share	63,185	4,290	30,000	37,475
Cumulative Bridge	730,638	528,677	318,882	940,433
Cumulative Drainage	877,215	786,332	917,850	745,697
Drug Free Community	11,775	24,786	3,250	33,311
Firearms Training	3,092	18,493	14,664	6,921
General Drain Improvement	146,670	38,632	14,258	171,044
Health	150,338	335,343	309,806	175,875
Identification Security Protection	18,472	3,217	-	21,689
Levy Excess	28,359	-	-	28,359
Local Health Maintenance	71,698	49,709	27,479	93,928
Local Road and Street	269,474	296,601	230,601	335,474
Misdemeanant	44,312	27,832	29,179	42,965
Motor Vehicle Highway	1,029,206	3,145,290	2,826,806	1,347,690
Park Nonreverting Capital	110,013	117,572	137,328	90,257
Park Nonreverting Operating	64,488	14,700	65,658	13,530
Planning and Zoning Impact	21,365	150,596	163,879	8,082
Plat Book	5,427	-	-	5,427
Rainy Day	4,096,216	400,000	-	4,496,216
Reassessment - 2015	1,126,885	291,008	295,747	1,122,146
Recorder's Records Perpetuation	95,891	59,323	91,055	64,159
Riverboat	331,892	227,708	559,600	-
Solid Waste User Fees	-	92,450	91,947	503
Surplus Tax	203,562	-	77,292	126,270
Surveyor's Corner Perpetuation	7,814	7,550	6,651	8,713
Tax Sale Redemption	30,803	369,117	387,940	11,980
Tax Sale Surplus	276,724	243,084	182,455	337,353
Local Health Department Trust Account	56,700	33,497	31,051	59,146
Guardian Ad Litem	1,832	-	-	1,832
GAL/CASA	-	39,958	39,958	-
Auditors Ineligible Deductions	10,963	-	-	10,963
County Elected Officials Training	13,701	3,217	60	16,858
Park and Recreation	123,540	427,043	491,146	59,437
Statewide 911	313,534	499,367	365,953	446,948
Adult Probation Administrative	24,070	42,598	45,854	20,814
Juvenile Probation Administrative	11,647	-	-	11,647
Prosecutors Seized Assets	-	40,000	14,372	25,628
Donations	1,419	803	1,517	705
TIF - Capital Projects	276,570	880,283	752,389	404,464
Self-Insurance	1,847,889	2,939,957	3,204,482	1,583,364
Payroll Clearing	247	85,594	85,594	247
Payroll Withholding - Federal	-	735,123	735,123	-
Payroll Withholding - FICA & Medicare	-	1,121,681	1,121,681	-
Payroll Withholding - Perf	13,377	862,967	862,825	13,519
Payroll Withholding - State	-	329,055	329,055	-
Settlement	-	40,877,213	40,873,498	3,715
CVET Agency	-	332,755	332,755	-
Financial Institution Tax	-	437,414	437,414	-
Homestead Credit Rebate	30,173	-	-	30,173
State Fines and Forfeitures	5,364	5,161	10,183	342
Infraction Judgements	2,940	41,091	41,019	3,012
Special Death Benefit	300	3,610	3,630	280
Sales Disclosure - State Share	365	4,290	4,125	530
Coroners Training & Con't Education	446	5,356	5,342	460
Mortgage Recording Fees - State Share	273	3,290	3,290	273
Inheritance Tax	116,433	-	484	115,949
Education Plate Fees Agency	-	788	788	-
Innkeepers Tax Collections	53,771	339,277	325,915	67,133
CEDIT Distribution	-	3,027,346	3,027,346	-
COIT Distribution	-	4,326,721	4,324,773	1,948
LOIT 2016 Special Distribution	-	3,780,767	3,780,767	-
93.563 Prosecutor PCA	18,691	4,034	20,976	1,749
93.563 ARRA Clerk IV-D Incentive	11,842	-	-	11,842
93.563 Title IV-D Incentive	73,861	10,470	-	84,331

KNOX COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments		Cash and Investments	
	01-01-16	Receipts	Disbursements	12-31-16
93.563 Prosecutor IV-D Incentive-Post Oct '99	18,450	15,910	9,321	25,039
93.563 Clerk IV-D Incentive-Post Oct '99	63,602	10,470	13,574	60,498
Knox County Drug Court User	-	4,800	3,199	1,601
Pre-Trial Diversion Fund	4,086	-	-	4,086
Park Donation - Christmas	9,204	8,772	10,033	7,943
MADD - Mothers Against Drunk Drivers	3,525	-	-	3,525
NK Waste Water Plan Grant	423	-	-	423
TMA Audit - Assessor	63,887	384,809	150,575	298,121
Supplemental - Sheriff Inmate Trust	3,123	329,061	329,969	2,215
Supplemental - Sheriff Commissary	11,236	274,539	268,095	17,680
Supplemental - Sheriff Buy Money	295	-	-	295
Supplemental - Clerk Odyssey/Trust	819,872	2,451,868	2,490,781	780,959
Supplemental - Clerk ISETS	4,311	535,954	535,215	5,050
After Settlement Collections	973,285	1,189,606	973,285	1,189,606
Supplemental - Landfill Retainage	27,721	13	-	27,734
Supplemental - Knox County Benefit Trust	394,255	2,211,243	2,328,184	277,314
Landfill	1,524	-	-	1,524
Probation Users Fees - Adult	35,030	151,539	179,751	6,818
Probation Users Fees - Juvenile	21,894	7,483	26,518	2,859
Clerks User Fees	10,948	10,015	9,875	11,088
Prosecutor User Fees	148,446	146,362	201,954	92,854
Alcohol & Drug User Fees	161,385	119,948	102,317	179,016
Community Correction Project Income	353,705	906,463	861,606	398,562
Superior II Bail Fund	11,226	16,913	10,422	17,717
Superior I Bail Agency Fund	14,538	3,789	2,180	16,147
Circuit Court Bail Agency Fund	14,995	-	-	14,995
Tilly Ditch	30,611	34,512	29,848	35,275
904101 Sheriff Donation Fund	16,436	8,456	14,022	10,870
Donations - Monument Restoration	3,076	-	-	3,076
DARE Program	1,649	-	-	1,649
KC Law Enforcement Donation	175	111,514	111,514	175
Sheriff Donation	100	-	-	100
Solid Waste - Auditor	1,645	3,770	3,987	1,428
Solid Waste - Treas.	5,891	-	-	5,891
Probation Home Monitoring	108,063	217,040	213,518	111,585
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)	4,562	2,500	1,242	5,820
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	1,015	3,873	3,407	1,481
Victims Assistance Grant	514	-	-	514
Co Health Bioterrorism	7,248	25,155	24,413	7,990
EMA Performance Grant	893	62,564	62,566	891
Drug Abuse	24,424	11,799	-	36,223
Van Go Grant	-	508,109	508,109	-
Local Emergency Planning Grant	11,194	9,137	16,298	4,033
Community Correction Grant 09	3,906	-	-	3,906
IN Criminal Justice Institute	2,905	112,283	120,162	(4,974)
Operation Pull Over	(8,357)	14,387	5,826	204
White River Valley Drug Task Force	670	-	-	670
Probation LCC	1,353	4,592	1,353	4,592
Proslink Implementation Proj	2,496	-	-	2,496
Disaster Public Assistance	1,142	-	-	1,142
2011 Homeland Security Grant	210	-	-	210
Court Interpreter Grant	657	-	813	(156)
Migrant Housing	-	88,424	88,424	-
CDBG- VU Grant	-	66,000	66,000	-
2015 Economic Development Bonds Dispute Resolution Fund	1,786,050	261	900	1,785,411
Totals	\$ 28,714,000	\$ 94,352,063	\$ 93,431,860	\$ 29,634,203

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 nonbusinesses 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.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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:

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2016.

Note 8. Restatements

For the year ended December 31, 2016, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of December 31, 2015	New Fund	Prior Period Adjustment	Balance as of January 1, 2016
Cumulative Drainage	\$ 712,657	\$ -	\$ 164,558	\$ 877,215
Reassessment - 2015	626,885	-	500,000	1,126,885
2015 Economic Development Bonds				
Dispute Resolution Fund	-	1,786,050	-	1,786,050

Note 9. Holding Corporation

The County has entered into a capital lease with the Knox County Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year ended December 31, 2016, totaled \$127,500.

Note 10. Combined Funds

Two funds related to Community Corrections grants were reported individually in the prior financial statement, but were combined into one fund for the current financial statement. Also, two funds related to donations were reported individually in the prior financial statement, but were combined into one fund for the current financial statement.

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OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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, 2016

	Treasurer Demand and Judgements	General	Accident Report	Bid Deposits and Bond Holding	CEDIT County Share	CEDIT - Special Legislation
Cash and investments - beginning	\$ -	\$ 865,353	\$ 2,087	\$ 620	\$ 2,648,919	\$ 678,894
Receipts:						
Taxes	-	7,999,892	-	-	1,611,783	175
Licenses and permits	-	25,580	-	-	-	-
Intergovernmental receipts	-	580,577	-	-	-	-
Charges for services	8,202	741,818	-	-	-	-
Fines and forfeits	-	156,305	502	25,602	-	-
Other receipts	-	1,305,494	-	-	-	9
Total receipts	8,202	10,809,666	502	25,602	1,611,783	184
Disbursements:						
Personal services	-	6,466,027	-	-	-	82,542
Supplies	-	657,173	-	-	-	120,180
Other services and charges	-	3,287,474	-	-	576,289	50,154
Debt service - principal and interest	-	-	-	-	25,000	-
Capital outlay	-	99,032	-	-	292,295	-
Other disbursements	8,202	12,862	-	23,364	-	-
Total disbursements	8,202	10,522,568	-	23,364	893,584	252,876
Excess (deficiency) of receipts over disbursements	-	287,098	502	2,238	718,199	(252,692)
Cash and investments - ending	\$ -	\$ 1,152,451	\$ 2,589	\$ 2,858	\$ 3,367,118	\$ 426,202

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	City and Town Court Costs	Clerk's Records Perpetuation	COIT County Distributive Shares	Community Corrections	Community Transition Program	Congressional School Interest
Cash and investments - beginning	\$ 27,693	\$ 72,184	\$ 5,869,594	\$ 21,356	\$ 75,586	\$ 31,377
Receipts:						
Taxes	-	-	2,018,586	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	636,587	32,425	-
Charges for services	-	-	13,805	-	-	-
Fines and forfeits	22,355	-	-	-	-	-
Other receipts	-	28,501	214,616	-	-	-
Total receipts	22,355	28,501	2,247,007	636,587	32,425	-
Disbursements:						
Personal services	-	-	1,081,692	619,268	-	-
Supplies	-	-	417,770	800	-	-
Other services and charges	-	-	1,103,768	174	15,097	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	277,123	-	-	-
Other disbursements	-	-	210,000	1	-	-
Total disbursements	-	-	3,090,353	620,243	15,097	-
Excess (deficiency) of receipts over disbursements	22,355	28,501	(843,346)	16,344	17,328	-
Cash and investments - ending	\$ 50,048	\$ 100,685	\$ 5,026,248	\$ 37,700	\$ 92,914	\$ 31,377

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Congressional School Principal	Prisoner Reimbursement for Incarceration	Sales Disclosure - County Share	Cummulative Bridge	Cumulative Drainage	Drug Free Community
Cash and investments - beginning	\$ 42,619	\$ (716)	\$ 63,185	\$ 730,638	\$ 877,215	\$ 11,775
Receipts:						
Taxes	-	-	-	-	786,332	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	444,645	-	-
Charges for services	-	385,435	4,290	16,441	-	-
Fines and forfeits	-	-	-	-	-	24,786
Other receipts	-	6,845	-	67,591	-	-
Total receipts	-	392,280	4,290	528,677	786,332	24,786
Disbursements:						
Personal services	-	7,830	-	6,983	-	-
Supplies	-	1,852	-	135,637	-	-
Other services and charges	-	49,429	-	122,654	917,850	3,250
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	53,608	-	-
Other disbursements	-	111,514	30,000	-	-	-
Total disbursements	-	170,625	30,000	318,882	917,850	3,250
Excess (deficiency) of receipts over disbursements	-	221,655	(25,710)	209,795	(131,518)	21,536
Cash and investments - ending	\$ 42,619	\$ 220,939	\$ 37,475	\$ 940,433	\$ 745,697	\$ 33,311

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Firearms Training	General Drain Improvement	Health	Identification Security Protection	Levy Excess	Local Health Maintenance
Cash and investments - beginning	\$ 3,092	\$ 146,670	\$ 150,338	\$ 18,472	\$ 28,359	\$ 71,698
Receipts:						
Taxes	-	-	106,553	-	-	-
Licenses and permits	-	-	117,158	-	-	-
Intergovernmental receipts	-	-	1,852	-	-	49,709
Charges for services	-	-	109,770	3,217	-	-
Fines and forfeits	18,493	-	-	-	-	-
Other receipts	-	38,632	10	-	-	-
Total receipts	18,493	38,632	335,343	3,217	-	49,709
Disbursements:						
Personal services	-	-	296,434	-	-	21,653
Supplies	-	-	7,303	-	-	4,880
Other services and charges	14,664	14,258	6,046	-	-	946
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	23	-	-	-
Total disbursements	14,664	14,258	309,806	-	-	27,479
Excess (deficiency) of receipts over disbursements	3,829	24,374	25,537	3,217	-	22,230
Cash and investments - ending	\$ 6,921	\$ 171,044	\$ 175,875	\$ 21,689	\$ 28,359	\$ 93,928

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Park Nonreverting Capital	Park Nonreverting Operating	Planning and Zoning Impact
Cash and investments - beginning	\$ 269,474	\$ 44,312	\$ 1,029,206	\$ 110,013	\$ 64,488	\$ 21,365
Receipts:						
Taxes	-	-	-	-	-	57,792
Licenses and permits	-	-	-	-	-	11,800
Intergovernmental receipts	-	27,832	3,080,577	-	-	1,004
Charges for services	4,600	-	-	69,073	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	292,001	-	64,713	48,499	14,700	80,000
Total receipts	296,601	27,832	3,145,290	117,572	14,700	150,596
Disbursements:						
Personal services	-	26,179	1,320,720	8	-	103,693
Supplies	223,473	3,000	625,122	7,013	-	1,434
Other services and charges	7,128	-	734,658	29,848	-	7,754
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	146,306	97,299	-	998
Other disbursements	-	-	-	3,160	65,658	50,000
Total disbursements	230,601	29,179	2,826,806	137,328	65,658	163,879
Excess (deficiency) of receipts over disbursements	66,000	(1,347)	318,484	(19,756)	(50,958)	(13,283)
Cash and investments - ending	\$ 335,474	\$ 42,965	\$ 1,347,690	\$ 90,257	\$ 13,530	\$ 8,082

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Plat Book	Rainy Day	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Solid Waste User Fees
Cash and investments - beginning	\$ 5,427	\$ 4,096,216	\$ 1,126,885	\$ 95,891	\$ 331,892	\$ -
Receipts:						
Taxes	-	-	285,347	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	4,959	-	227,708	-
Charges for services	-	-	-	59,323	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	400,000	702	-	-	92,450
Total receipts	-	400,000	291,008	59,323	227,708	92,450
Disbursements:						
Personal services	-	-	22,566	31,976	-	91,947
Supplies	-	-	215	-	-	-
Other services and charges	-	-	251,843	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	16,117	-	-	-
Other disbursements	-	-	5,006	59,079	559,600	-
Total disbursements	-	-	295,747	91,055	559,600	91,947
Excess (deficiency) of receipts over disbursements	-	400,000	(4,739)	(31,732)	(331,892)	503
Cash and investments - ending	\$ 5,427	\$ 4,496,216	\$ 1,122,146	\$ 64,159	\$ -	\$ 503

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Local Health Department Trust Account	Guardian Ad Litem
Cash and investments - beginning	\$ 203,562	\$ 7,814	\$ 30,803	\$ 276,724	\$ 56,700	\$ 1,832
Receipts:						
Taxes	-	-	369,117	243,084	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	33,497	-
Charges for services	-	7,550	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	7,550	369,117	243,084	33,497	-
Disbursements:						
Personal services	-	4,784	-	-	13,963	-
Supplies	-	-	-	-	2,536	-
Other services and charges	-	967	259,063	-	4,252	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	900	-	-	10,300	-
Other disbursements	77,292	-	128,877	182,455	-	-
Total disbursements	77,292	6,651	387,940	182,455	31,051	-
Excess (deficiency) of receipts over disbursements	(77,292)	899	(18,823)	60,629	2,446	-
Cash and investments - ending	\$ 126,270	\$ 8,713	\$ 11,980	\$ 337,353	\$ 59,146	\$ 1,832

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	<u>GAL/CASA</u>	<u>Auditors Ineligible Deductions</u>	<u>County Elected Officials Training</u>	<u>Park and Recreation</u>	<u>Statewide 911</u>	<u>Adult Probation Administrative</u>
Cash and investments - beginning	\$ -	\$ 10,963	\$ 13,701	\$ 123,540	\$ 313,534	\$ 24,070
Receipts:						
Taxes	-	-	-	290,765	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	39,958	-	-	5,053	-	-
Charges for services	-	-	-	-	499,367	42,598
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	3,217	131,225	-	-
Total receipts	<u>39,958</u>	<u>-</u>	<u>3,217</u>	<u>427,043</u>	<u>499,367</u>	<u>42,598</u>
Disbursements:						
Personal services	-	-	-	289,215	129,397	45,854
Supplies	-	-	-	35,886	-	-
Other services and charges	-	-	-	40,005	236,556	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	46,040	-	-
Other disbursements	39,958	-	60	80,000	-	-
Total disbursements	<u>39,958</u>	<u>-</u>	<u>60</u>	<u>491,146</u>	<u>365,953</u>	<u>45,854</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>3,157</u>	<u>(64,103)</u>	<u>133,414</u>	<u>(3,256)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,963</u>	<u>\$ 16,858</u>	<u>\$ 59,437</u>	<u>\$ 446,948</u>	<u>\$ 20,814</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Juvenile Probation Administrative	Prosecutors Seized Assets	Donations	TIF - Capital Projects	Self-Insurance	Payroll Clearing
Cash and investments - beginning	\$ 11,647	\$ -	\$ 1,419	\$ 276,570	\$ 1,847,889	\$ 247
Receipts:						
Taxes	-	-	-	880,283	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	40,000	803	-	2,939,957	85,594
Total receipts	-	40,000	803	880,283	2,939,957	85,594
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1,517	751,733	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	14,372	-	656	3,204,482	85,594
Total disbursements	-	14,372	1,517	752,389	3,204,482	85,594
Excess (deficiency) of receipts over disbursements	-	25,628	(714)	127,894	(264,525)	-
Cash and investments - ending	\$ 11,647	\$ 25,628	\$ 705	\$ 404,464	\$ 1,583,364	\$ 247

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Payroll Withholding - Federal	Payroll Withholding - FICA & Medicare	Payroll Withholding - Perf	Payroll Withholding - State	Settlement	CVET Agency
Cash and investments - beginning	\$ -	\$ -	\$ 13,377	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	40,877,213	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	332,755
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	735,123	1,121,681	862,967	329,055	-	-
Total receipts	735,123	1,121,681	862,967	329,055	40,877,213	332,755
Disbursements:						
Personal services	-	-	862,825	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	735,123	1,121,681	-	329,055	40,873,498	332,755
Total disbursements	735,123	1,121,681	862,825	329,055	40,873,498	332,755
Excess (deficiency) of receipts over disbursements	-	-	142	-	3,715	-
Cash and investments - ending	\$ -	\$ -	\$ 13,519	\$ -	\$ 3,715	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Financial Institution Tax	Homestead Credit Rebate	State Fines and Forfeitures	Infraction Judgements	Special Death Benefit	Sales Disclosure - State Share
Cash and investments - beginning	\$ -	\$ 30,173	\$ 5,364	\$ 2,940	\$ 300	\$ 365
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	437,414	-	-	-	-	-
Charges for services	-	-	-	-	-	4,290
Fines and forfeits	-	-	5,161	41,091	-	-
Other receipts	-	-	-	-	3,610	-
Total receipts	437,414	-	5,161	41,091	3,610	4,290
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	437,414	-	10,183	41,019	3,630	4,125
Total disbursements	437,414	-	10,183	41,019	3,630	4,125
Excess (deficiency) of receipts over disbursements	-	-	(5,022)	72	(20)	165
Cash and investments - ending	\$ -	\$ 30,173	\$ 342	\$ 3,012	\$ 280	\$ 530

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Coroners Training & Con't Education	Mortgage Recording Fees - State Share	Inheritance Tax	Education Plate Fees Agency	Innkeepers Tax Collections	CEDIT Distribution
Cash and investments - beginning	\$ 446	\$ 273	\$ 116,433	\$ -	\$ 53,771	\$ -
Receipts:						
Taxes	-	-	-	-	339,277	3,027,346
Licenses and permits	-	-	-	788	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	5,356	3,290	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>5,356</u>	<u>3,290</u>	<u>-</u>	<u>788</u>	<u>339,277</u>	<u>3,027,346</u>
Disbursements:						
Personal services	5,342	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	788	325,915	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	3,290	484	-	-	3,027,346
Total disbursements	<u>5,342</u>	<u>3,290</u>	<u>484</u>	<u>788</u>	<u>325,915</u>	<u>3,027,346</u>
Excess (deficiency) of receipts over disbursements	<u>14</u>	<u>-</u>	<u>(484)</u>	<u>-</u>	<u>13,362</u>	<u>-</u>
Cash and investments - ending	<u>\$ 460</u>	<u>\$ 273</u>	<u>\$ 115,949</u>	<u>\$ -</u>	<u>\$ 67,133</u>	<u>\$ -</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	COIT Distribution	LOIT 2016 Special 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
Cash and investments - beginning	\$ -	\$ -	\$ 18,691	\$ 11,842	\$ 73,861	\$ 18,450
Receipts:						
Taxes	-	3,780,767	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	4,326,721	-	-	-	-	-
Charges for services	-	-	-	-	10,470	15,910
Fines and forfeits	-	-	4,034	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>4,326,721</u>	<u>3,780,767</u>	<u>4,034</u>	<u>-</u>	<u>10,470</u>	<u>15,910</u>
Disbursements:						
Personal services	-	-	-	-	-	759
Supplies	-	-	-	-	-	-
Other services and charges	-	-	20,976	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>4,324,773</u>	<u>3,780,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,562</u>
Total disbursements	<u>4,324,773</u>	<u>3,780,767</u>	<u>20,976</u>	<u>-</u>	<u>-</u>	<u>9,321</u>
Excess (deficiency) of receipts over disbursements	<u>1,948</u>	<u>-</u>	<u>(16,942)</u>	<u>-</u>	<u>10,470</u>	<u>6,589</u>
Cash and investments - ending	<u>\$ 1,948</u>	<u>\$ -</u>	<u>\$ 1,749</u>	<u>\$ 11,842</u>	<u>\$ 84,331</u>	<u>\$ 25,039</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	93.563 Clerk IV-D Incentive-Post Oct '99	Knox County Drug Court User	Pre-Trial Diversion Fund	Park Donation - Christmas	MADD - Mothers Against Drunk Drivers	NK Waste Water Plan Grant
Cash and investments - beginning	\$ 63,602	\$ -	\$ 4,086	\$ 9,204	\$ 3,525	\$ 423
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	10,470	4,800	-	-	-	-
Other receipts	-	-	-	8,772	-	-
Total receipts	10,470	4,800	-	8,772	-	-
Disbursements:						
Personal services	13,574	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	3,199	-	10,033	-	-
Total disbursements	13,574	3,199	-	10,033	-	-
Excess (deficiency) of receipts over disbursements	(3,104)	1,601	-	(1,261)	-	-
Cash and investments - ending	\$ 60,498	\$ 1,601	\$ 4,086	\$ 7,943	\$ 3,525	\$ 423

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	TMA Audit - Assessor	Supplemental - Sheriff Inmate Trust	Supplemental - Sheriff Commissary	Supplemental - Sheriff Buy Money	Supplemental - Clerk Odyssey/Trust
Cash and investments - beginning	\$ 63,887	\$ 3,123	\$ 11,236	\$ 295	\$ 819,872
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	329,061	274,539	-	-
Fines and forfeits	-	-	-	-	2,451,868
Other receipts	384,809	-	-	-	-
Total receipts	<u>384,809</u>	<u>329,061</u>	<u>274,539</u>	<u>-</u>	<u>2,451,868</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	150,575	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	329,969	268,095	-	2,490,781
Total disbursements	<u>150,575</u>	<u>329,969</u>	<u>268,095</u>	<u>-</u>	<u>2,490,781</u>
Excess (deficiency) of receipts over disbursements	<u>234,234</u>	<u>(908)</u>	<u>6,444</u>	<u>-</u>	<u>(38,913)</u>
Cash and investments - ending	<u>\$ 298,121</u>	<u>\$ 2,215</u>	<u>\$ 17,680</u>	<u>\$ 295</u>	<u>\$ 780,959</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Supplemental - Clerk ISETS	After Settlement Collections	Supplemental - Landfill Retainage	Supplemental - Knox County Benefit Trust	Landfill	Probation Users Fees - Adult
Cash and investments - beginning	\$ 4,311	\$ 973,285	\$ 27,721	\$ 394,255	\$ 1,524	\$ 35,030
Receipts:						
Taxes	-	1,189,606	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	535,954	-	-	-	-	151,539
Other receipts	-	-	13	2,211,243	-	-
Total receipts	535,954	1,189,606	13	2,211,243	-	151,539
Disbursements:						
Personal services	-	-	-	2,328,184	-	157,597
Supplies	-	-	-	-	-	11,021
Other services and charges	-	-	-	-	-	11,053
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	535,215	973,285	-	-	-	80
Total disbursements	535,215	973,285	-	2,328,184	-	179,751
Excess (deficiency) of receipts over disbursements	739	216,321	13	(116,941)	-	(28,212)
Cash and investments - ending	\$ 5,050	\$ 1,189,606	\$ 27,734	\$ 277,314	\$ 1,524	\$ 6,818

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Probation Users Fees - Juvenile	Clerks User Fees	Prosecutor User Fees	Alcohol & Drug User Fees	Community Correction Project Income	Superior II Bail Fund
Cash and investments - beginning	\$ 21,894	\$ 10,948	\$ 148,446	\$ 161,385	\$ 353,705	\$ 11,226
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	7,483	-	136,403	114,567	906,462	16,913
Other receipts	-	10,015	9,959	5,381	1	-
Total receipts	7,483	10,015	146,362	119,948	906,463	16,913
Disbursements:						
Personal services	26,518	3,200	136,656	81,305	369,738	-
Supplies	-	-	12,873	6,975	123,681	-
Other services and charges	-	6,675	43,094	12,480	303,363	10,322
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	9,331	627	57,981	100
Other disbursements	-	-	-	930	6,843	-
Total disbursements	26,518	9,875	201,954	102,317	861,606	10,422
Excess (deficiency) of receipts over disbursements	(19,035)	140	(55,592)	17,631	44,857	6,491
Cash and investments - ending	\$ 2,859	\$ 11,088	\$ 92,854	\$ 179,016	\$ 398,562	\$ 17,717

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Superior I Bail Agency Fund	Circuit Court Bail Agency Fund	Tilly Ditch	904101 Sheriff Donation Fund	Donations - Monument Restoration	DARE Program
Cash and investments - beginning	\$ 14,538	\$ 14,995	\$ 30,611	\$ 16,436	\$ 3,076	\$ 1,649
Receipts:						
Taxes	-	-	34,512	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	3,789	-	-	1,991	-	-
Other receipts	-	-	-	6,465	-	-
Total receipts	3,789	-	34,512	8,456	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	2,180	-	-	14,022	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	29,848	-	-	-
Total disbursements	2,180	-	29,848	14,022	-	-
Excess (deficiency) of receipts over disbursements	1,609	-	4,664	(5,566)	-	-
Cash and investments - ending	\$ 16,147	\$ 14,995	\$ 35,275	\$ 10,870	\$ 3,076	\$ 1,649

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	KC Law Enforcement Donation	Sheriff Donation	Solid Waste - Auditor	Solid Waste - Treas.	Probation Home Monitoring	In Lieu of Road Bond
Cash and investments - beginning	\$ 175	\$ 100	\$ 1,645	\$ 5,891	\$ 108,063	\$ 6,864
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	3,770	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	111,514	-	-	-	217,040	-
Total receipts	111,514	-	3,770	-	217,040	-
Disbursements:						
Personal services	-	-	-	-	212,222	-
Supplies	-	-	217	-	1,184	-
Other services and charges	-	-	-	-	112	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	111,514	-	3,770	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	111,514	-	3,987	-	213,518	-
Excess (deficiency) of receipts over disbursements	-	-	(217)	-	3,522	-
Cash and investments - ending	\$ 175	\$ 100	\$ 1,428	\$ 5,891	\$ 111,585	\$ 6,864

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Solid Waste Fee - Assessor	Surplus Dog Tax Fund	Health Clinic	IDACS (E-911)	Infraction Judgement	Hazardous Substance Response
Cash and investments - beginning	\$ 3,902	\$ 2,302	\$ 255	\$ 4,562	\$ 1,225	\$ 276
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	2,500	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	2,500	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	1,242	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	1,242	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	1,258	-	-
Cash and investments - ending	\$ 3,902	\$ 2,302	\$ 255	\$ 5,820	\$ 1,225	\$ 276

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PTRC & "HC" Holding Fund	Victim Assistant	Superior Court Group Home	Adult Protective Service	Drug Abuse Prosec.	Hillcrest Ins. Settlement 2006
Cash and investments - beginning	\$ 80	\$ 103	\$ 500	\$ 11,450	\$ 123,610	\$ 222,911
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	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ 80	\$ 103	\$ 500	\$ 11,450	\$ 123,610	\$ 222,911

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	DUI Task Force 2011	Victims Assistance Grant	Co Health Bioterrorism	EMA Performance Grant	Drug Abuse
Cash and investments - beginning	\$ 1,015	\$ 514	\$ 7,248	\$ 893	\$ 24,424
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	3,873	-	25,155	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	11,799
Other receipts	-	-	-	62,564	-
Total receipts	3,873	-	25,155	62,564	11,799
Disbursements:					
Personal services	3,407	-	-	-	-
Supplies	-	-	558	-	-
Other services and charges	-	-	19,553	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	4,302	62,566	-
Other disbursements	-	-	-	-	-
Total disbursements	3,407	-	24,413	62,566	-
Excess (deficiency) of receipts over disbursements	466	-	742	(2)	11,799
Cash and investments - ending	\$ 1,481	\$ 514	\$ 7,990	\$ 891	\$ 36,223

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Van Go Grant	Local Emergency Planning Grant	Community Correction Grant 09	IN Criminal Justice Institute	Operation Pull Over
Cash and investments - beginning	\$ -	\$ 11,194	\$ 3,906	\$ 2,905	\$ (8,357)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	508,109	9,137	-	112,283	14,387
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>508,109</u>	<u>9,137</u>	<u>-</u>	<u>112,283</u>	<u>14,387</u>
Disbursements:					
Personal services	-	-	-	120,162	5,826
Supplies	-	815	-	-	-
Other services and charges	-	15,483	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	508,109	-	-	-	-
Total disbursements	<u>508,109</u>	<u>16,298</u>	<u>-</u>	<u>120,162</u>	<u>5,826</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(7,161)</u>	<u>-</u>	<u>(7,879)</u>	<u>8,561</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,033</u>	<u>\$ 3,906</u>	<u>\$ (4,974)</u>	<u>\$ 204</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	White River Valley Drug Task Force	Probation LCC	Proslink Implementation Proj	Disaster Public Assistance	2011 Homeland Security Grant
Cash and investments - beginning	\$ 670	\$ 1,353	\$ 2,496	\$ 1,142	\$ 210
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	4,592	-	-	-
Total receipts	-	4,592	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	1,353	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	1,353	-	-	-
Excess (deficiency) of receipts over disbursements	-	3,239	-	-	-
Cash and investments - ending	\$ 670	\$ 4,592	\$ 2,496	\$ 1,142	\$ 210

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Court Interpreter Grant	Migrant Housing	CDBG- VU Grant	2015 Economic Development Bonds Dispute Resolution Fund	Totals
Cash and investments - beginning	\$ 657	\$ -	\$ -	\$ 1,786,050	\$ 28,714,000
Receipts:					
Taxes	-	-	-	-	63,898,430
Licenses and permits	-	-	-	-	155,326
Intergovernmental receipts	-	88,424	66,000	-	11,090,641
Charges for services	-	-	-	-	2,614,675
Fines and forfeits	-	-	-	-	4,652,367
Other receipts	-	-	-	261	11,940,624
Total receipts	-	88,424	66,000	261	94,352,063
Disbursements:					
Personal services	-	-	-	-	14,990,046
Supplies	-	-	-	-	2,402,951
Other services and charges	-	-	66,000	-	9,491,210
Debt service - principal and interest	-	-	-	-	25,000
Capital outlay	-	-	-	-	1,290,209
Other disbursements	813	88,424	-	900	65,232,444
Total disbursements	813	88,424	66,000	900	93,431,860
Excess (deficiency) of receipts over disbursements	(813)	-	-	(639)	920,203
Cash and investments - ending	\$ (156)	\$ -	\$ -	\$ 1,785,411	\$ 29,634,203

KNOX COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 56,394</u>	<u>\$ -</u>

KNOX COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Caterpillar	M316D Wheel Excavator SN D6W00942	\$ 27,500	4/404/2013	4/404/2017
Caterpillar	M216D Wheel Excavator SN D6W00938	27,500	4/404/2013	4/404/2017
John Deere	Tractor Loader Boom	16,611	4/403/2014	4/403/2019
Knox County Holding Corporation	Land for Industrial Park 2001	<u>260,000</u>	1/115/2012	1/115/2021
Total of annual lease payments		<u>\$ 331,611</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
2015 Taxable Economic Development Revenue Bonds	Duke Energy Project	\$ 27,000,000	\$ 1,282,490
Notes and loans payable	Enhanced 911 Loan	<u>160,617</u>	<u>91,249</u>
Totals		<u>\$ 27,160,617</u>	<u>\$ 1,373,739</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

Report on Compliance for Each 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 each of its major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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 each of the County's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2016.

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

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 2016-003, that we consider to be a material weakness.

The County's response to the internal control over compliance finding 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

November 14, 2018

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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, 2016

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	Passed Through to Subrecipient	Total Federal Awards Expended
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii CDBG - SIDC Workforce Development	Indiana Office of Community and Rural Affairs	14.228	38-DR2-09-283	\$ -	\$ 66,000
CDBG - Migrant Farm Worker Housing	Indiana Housing and Community Development Authority		HD-013-010	88,424	88,424
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				88,424	154,424
Total - Department of Housing and Urban Development				88,424	154,424
Department of the Interior					
Outdoor Recreation Acquisition, Development and Planning Fox Ridge Park	Indiana Department of Natural Resources	15.916	3000R1180058900	-	3,625
Total - Department of the Interior				-	3,625
Department of Justice					
Crime Victim Assistance 2015 Victim Assistance	Indiana Criminal Justice Institute	16.575	03215VAGX006403	-	112,283
Total - Department of Justice				-	112,283
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge #45 Repair Bridge Inspection Signs Signs	Indiana Department of Transportation	20.205	DES # 0301004 DES # 1297771 DES # 1383643 DES # 1400812	- - - -	24,292 46,883 13,500 270
Total - Highway Planning and Construction				-	84,945
Total - Highway Planning and Construction Cluster				-	84,945
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	032NHTSA4022016	-	15,332
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	032NHTSA405D2016	-	2,928
Occupant Protection Incentive Grants	Indiana Criminal Justice Institute	20.602	032NHTSA405B2016	-	2,424
Total - Highway Safety Cluster				-	20,684
Formula Grants for Rural Areas Van Go Operating - 2015 Van Go Operating - 2016	Indiana Department of Transportation	20.509	A249-15-320479 A249-16-G150146	86,818 285,165	86,818 285,165
Total - Formula Grants for Rural Areas				371,983	371,983
Interagency Hazardous Materials Public Sector Training and Planning Grants 2015 HMEP	Indiana Department of Homeland Security	20.703	38516HMEPTRAIN0	-	4,000
Total - Department of Transportation				371,983	481,612
Department of Health and Human Services					
Public Health and Emergency Preparedness 2015 Cooperative Agreement 2016 Cooperative Agreement	Indiana Department of Health	93.069	40093074PHEPA16 40093074PHEPA17	- -	9,000 7,251
Total - Public Health and Emergency Preparedness				-	16,251
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements 2015 Ebola Supplement	Indiana Department of Health	93.074	BPRS 141-70 900TP0005	-	8,904
Child Support Enforcement Prosecutor IV-D Expenditures Clerk IV-D Expenditures County General IV-D Indirect Costs Prosecutor IV-D Incentives Clerk IV-D Incentives	Indiana Department of Child Services	93.563	FY 2016 FY 2016 FY 2016 FY 2016 FY 2016	- - - - -	93,247 20,871 25,720 9,321 13,574
Total - Child Support Enforcement				-	162,733
Total - Department of Health and Human Services				-	187,888
Department of Homeland Security					
Emergency Management Performance Grants 2015 Performance Grant	Indiana Department of Homeland Security	97.042	38515EMPG	-	23,291
Homeland Security Grant Program Local Emergency Planning	Indiana Department of Homeland Security	97.067	38514SHSP	-	46,000
Total - Department of Homeland Security				-	69,291
Total federal awards expended				\$ 460,407	\$ 1,009,123

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, 2016. 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 minimis 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 programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

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

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 Units financial reporting system, which was 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.

Context

The SEFA presented for audit contained the following errors:

- Four federal programs with expenditures of \$26,804 were omitted.
- Three state grants with expenditures of \$255,745 were included in error.
- Two federal programs' expenditures were overstated by \$24,949 in total.
- Five federal programs' expenditures were understated by \$128,353 in total.
- There were numerous errors in program names, project names, and/or identifying numbers.

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. . . .

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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:

- (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 that 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 the SEFA.

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 SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the County's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-002.

Condition

The County did not have a proper system of internal control in place to ensure the completeness and accuracy of the transactions recorded in the funds ledger maintained by the County Auditor and to prevent, or detect and correct, errors on the Annual Financial Report (AFR) and the financial statement.

The County Auditor entered and submitted the financial information for the County into the Indiana Gateway for Government Units (Gateway) financial reporting system. This information was used to compile the County's 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 into Gateway.

There was no evidence of a control, such as an oversight, review, or approval process to ensure that all funds of the County were recorded in the funds ledger. The cash and investment transactions of several county funds were not recorded in the funds ledger maintained by the County Auditor. Receipts, disbursements, and cash and investment balances of the Supplemental - Landfill Retainage fund, Supplemental - Knox County Benefit Trust fund, and the 2015 Economic Development Dispute Resolution Fund were not recorded. In addition, investments of the Cumulative Drainage and the Reassessment - 2015 funds, including interest earned and any investment gains/losses, were not recorded.

Context

Due to the lack of controls, the following errors occurred on the financial statement:

- Ten supplemental departments were reported in error. The funds of these departments had already been remitted to the County Auditor.
- Six funds were reported with incorrect beginning balances.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- The disbursements reported for two funds were incorrect and did not agree with the records maintained. This resulted in an incorrect ending cash and investment balance.
- The receipts and disbursements reported for the After Settlement Collections fund and the Supplemental - Knox County Benefit Trust fund were materially misstated.
- Investments of the Cumulative Drainage and the Reassessment - 2015 funds, in addition to interest earned on those investments, were not reported.
- The receipts, disbursements, and cash and investment balance of the 2015 Economic Development Bonds Dispute Resolution Fund were not reported.

The net difference of the errors on the financial statement resulted in an overstatement of reported receipts and disbursements of \$39,981,922 and \$39,642,885, respectively, an understatement of the beginning cash and investment balance of \$2,568,245, and an understatement of the ending cash and investment balance of \$2,228,876.

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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](#)."

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Cause

Management of the County had not established a proper system of internal control to ensure that all transactions of the County's funds were recorded in the funds ledger and that the information reported in the AFR and financial statement was accurate.

Effect

The failure to establish controls enabled the County's funds ledger to be incomplete and enabled misstatements of the AFR and financial statement to remain undetected. The errors are identified in the *Context*.

Recommendation

We recommended that the County establish a system of internal controls related to financial transactions and reporting.

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 2016-003

Subject: Highway Planning and Construction Cluster - Cash Management

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Numbers and Years (or Other Identifying Numbers): DES # 0301004, DES # 1297771,
DES # 1383643, DES # 1400812

Pass-Through Entity: Indiana Department of Transportation

Compliance Requirement: Cash Management

Audit Finding: Material Weakness

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 Cash Management compliance requirement.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County was required to request reimbursement from the Indiana Department of Transportation using the LPA Invoice-Voucher (voucher). The vouchers listed the gross amount of the claims paid by the County and calculated the percentage of federal share that was reimbursable. The Employee in Responsible Charge (ERC) prepared the vouchers and signed them. There were no procedures in place, such as an oversight, review, or approval process, to ensure the accuracy of the vouchers.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award 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). . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the Cash Management compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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, including segregation of duties, related to the grant agreement and the Cash Management compliance requirement.

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 2015-001

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

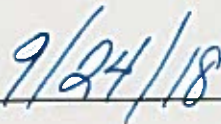
Status of Audit Finding: The corrective action is still in progress.



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 2015-002

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: The corrective action is still in progress.

Lisa G. Madden

Signature

Auditor

Title

9/24/18

Date

TERRI ALLEN
KNOX COUNTY CLERK
111 N. 7TH St. Ste 28
VINCENNES, IN 47591

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: *N/A*

Contact Person Responsible for Corrective Action: Terri Allen

Contact Phone Number: 812-895-4927

Status of Audit Finding:

Error has been corrected by the Clerk reviewing and signing the daily check registers, transaction reports, adjustment reports. The Clerk reviews and signs each daily deposit. The Clerk also reviews and signs the monthly reconciliation reports.

Terri Allen

Signature

Knox County Clerk

Title

9-19-18

Date



KNOX COUNTY AUDITOR

LISA G. MADDEN
COURTHOUSE
111 N. SEVENTH STREET, STE. 7
VINCENNES, IN 47591
(812) 885-2502

Summary Schedule of Prior Audit Findings

Finding 2015-004

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: This finding has been resolved.



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 2016-001

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.

2016-001 1) As Auditor, along with my Deputy Auditor, we will be working together to ensure accurate reporting on the SEFA.


Anticipated Completion Date: 11/14/18



(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 2016-002

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.

2016-002 1) As Auditor, along with my Deputy Auditor, we will be working together to ensure accurate reporting on all funds after discussion with SBOA, we now have an understanding on how to complete the correct reporting of all funds on Gateway. All County funds will be maintained on the ledger.

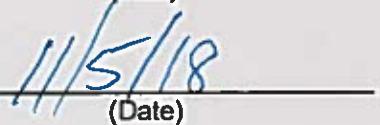
Anticipated Completion Date: 11/14/18



(Signature)



(Title)



(Date)



Knox County Highway Department

1472 North State Road 67, Vincennes, IN 47591 Office: 812.882.2884 Fax: 812.882.2496

CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Bill Horner
Contact Phone Number: 812-882-2884

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

LPA Vouchers, along with invoices, will be initialed by a second person as an internal control before submitting the information to Indiana Department of Transportation for reimbursement.

Anticipated Completion Date: Immediate



(Signature)

Administrative Assistant

(Title)

10-25-18

(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/>.