

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, 2018 to December 31, 2018



FILED
08/19/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10-12
Notes to Financial Statement	13-18
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	20-46
Schedule of Leases and Debt	47
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	50-51
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	54
Notes to Schedule of Expenditures of Federal Awards	55
Schedule of Findings and Questioned Costs	56-62
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	64-65
Corrective Action Plan	66-70
Other Reports.....	71

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lisa G. Madden Micheal P. Morris	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Treasurer	Brenda Hall	01-01-16 to 12-31-19
Clerk of the Circuit Court	Terri Allen David Shelton	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Sheriff	Micheal P. Morris Doug Vantlin	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Recorder	Lisa Clark-Benock	01-01-15 to 12-31-22
President of the Board of County Commissioners	Kellie Streeter	01-01-18 to 12-31-19
President of the County Council	Robert Lechner	01-01-18 to 12-31-19



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, 2018, 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, 2018.

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, 2018, 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 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 July 31, 2019, 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

July 31, 2019



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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, 2018, and the related notes to the financial statement, and have issued our report thereon dated July 31, 2019, 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 2018-001 and 2018-002, 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 2018-001 and 2018-002.

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

July 31, 2019

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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, 2018

Fund	Cash and Investments			Cash and Investments 12-31-18
	01-01-18	Receipts	Disbursements	
Treasurer Demand and Judgements	\$ 85	\$ -	\$ -	\$ 85
General	2,153,666	16,487,699	17,067,321	1,574,044
Accident Report	2,907	172	-	3,079
Bond Administrative Fees	5,801	21,882	18,425	9,258
CEDIT County Share	3,487,488	1,825,709	2,440,268	2,872,929
CEDIT - Special Legislation	78,823	-	53,572	25,251
CASA Donations	-	11,515	-	11,515
City and Town Court Costs	13,626	19,139	17,000	15,765
Clerk's Records Perpetuation	129,940	32,262	-	162,202
COIT County Distributive Shares	2,718,792	-	35,687	2,683,105
Community Transition Program	91,722	20,975	44,422	68,275
Congressional School Interest	29,672	-	1,705	27,967
Congressional School Principal	42,619	-	-	42,619
Housing of Prisoners	331,974	999,251	1,022,003	309,222
Sales Disclosure - County Share	42,095	4,410	-	46,505
Cumulative Bridge	1,134,879	847,582	1,149,385	833,076
Cumulative Drainage	789,524	545,060	355,537	979,047
Drug Free Community	24,668	192,237	26,000	190,905
Fire Arms Training	7,377	8,010	14,969	418
General Drain Improvement	141,122	34,671	156,874	18,919
Health	198,016	249,940	340,097	107,859
Identity Security Protection	26,012	6,008	-	32,020
Levy Excess	28,359	-	-	28,359
Local Health Maintenance Fund	57,432	33,185	16,629	73,988
Local Road and Street	405,584	505,997	326,531	585,050
Jail Misdemeanant	42,169	27,832	-	70,001
Motor Vehicle Highway	1,125,125	4,457,397	4,750,098	832,424
TMA Audit Fund	215,976	36,261	19,055	233,182
Park Nonreverting Operating	152,907	107,900	70,772	190,035
Park Nonreverting Capital	62,620	53,539	63,371	52,788
Planning and Zoning Impact	39,015	144,931	161,515	22,431
Plat Book	5,427	-	-	5,427
Rainy Day Fund	4,187,325	3,400,000	3,225,025	4,362,300
Reassessment - 2015	1,285,296	212,023	445,024	1,052,295
Recorder's Records Perpetuation	41,599	84,814	100,448	25,965
Revenue Sharing	83,077	-	83,077	-
Solid Waste	(10,352)	154,536	143,682	502
Surplus Tax	76,458	74,553	69,786	81,225
Surveyor's Corner Perpetuation	23,579	29,800	18,250	35,129
Tax Sale	356,234	601,626	748,449	209,411
Tax Sale Surplus	273,235	-	-	273,235
IN Health Depart Trust Account	42,879	22,332	17,281	47,930
Guardian Ad Litem	1,832	-	-	1,832
CASA - United Way	-	2,000	-	2,000
GAL/CASA	-	40,637	40,637	-
Auditors Ineligible Deductions	10,963	-	-	10,963
Elected Officials Training	20,815	6,108	673	26,250
Park and Recreation	250,774	261,399	346,274	165,899
County 911	532,336	1,183,427	1,014,717	701,046
Adult Probation Administration	18,162	34,569	43,324	9,407
Juvenile Administration Fee	11,647	-	-	11,647
Mill Creek Maintenance Fund	-	127,931	127,931	-
Brevoort Conservancy	-	472,837	472,837	-
Prosecutor Seized Asset Fund	22,830	-	-	22,830
K-9 Donations	-	6,722	1,200	5,522
Donations	525	995	721	799
KC TIF Allocation (RDC)	483,684	1,940,167	1,174,226	1,249,625
Self-Insurance	2,166,100	3,477,627	2,711,687	2,932,040
NG911 Capital Improvement AT&T	-	679,500	-	679,500

KNOX COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-18			12-31-18
Employee Deductions	246	88,826	88,826	246
Payroll Withholding - Federal	-	780,504	780,504	-
Payroll Withholding - FICA & Medicare	-	1,330,328	1,330,328	-
Retirements	14,190	1,023,759	1,023,726	14,223
Payroll Withholding - State	-	391,088	391,088	-
Settlement	19,137	45,788,691	45,808,688	(860)
CVET Agency	-	312,944	312,709	235
Financial Institution Tax	-	372,010	372,010	-
Business Personal Property Exe	3,600	2,500	1,800	4,300
Homestead Credit Rebate	30,173	-	-	30,173
State Fines and Forfeitures	399	6,814	5,271	1,942
Infraction Judgements	3,848	47,528	46,237	5,139
Special Death Benefit	195	3,270	2,755	710
Sales Disclosure - State Share	400	4,410	3,805	1,005
Coroners Training & Con't Education	408	5,351	4,846	913
Recovery Fees - State Share	305	2,810	2,668	447
Forest Restoration	29	39	-	68
Inheritance Tax	116,420	-	-	116,420
Education Plate Fees Distribution	-	750	750	-
Riverboat Revenue Sharing	-	227,716	227,716	-
Innkeepers Tax Collections	59,593	396,516	388,949	67,160
93.563 Prosecutor PCA	1,615	3,938	1,556	3,997
93.563 ARRA Clerk IV-D Incentive	11,842	-	11,842	-
93.563 Title IV-D Incentive	69,614	9,687	7,238	72,063
93.563 Prosecutor IV-D Incent P 99	21,361	17,786	22,198	16,949
93.563 Clerk 4-D Incent P 99	55,291	21,529	9,824	66,996
Court Recidivism Reduction	10,842	23,063	33,293	612
Problem Solving Grant	29	7,000	991	6,038
Prosecutor Drug Grant	2,000	-	2,000	-
Cumulative Capital Development	-	330,914	-	330,914
MADD-Mothers Against Drunk Drivers	3,525	-	-	3,525
Pre-Trial Diversion Fund	4,086	-	-	4,086
Knox County Law Enforcement	175	-	-	175
Park Donations-Christmas	1,612	13,151	10,672	4,091
Knox County Drug Court User	2,900	11,571	280	14,191
LIT Certified Shares	-	4,495,896	4,495,896	-
LIT Economic Development	-	3,189,161	3,189,161	-
NK Waste Water Plan Grant	423	-	-	423
Supplemental Knox County Benefit Trust	186,543	2,277,744	2,464,287	-
Sheriff Finds Trust Account	-	34,975	-	34,975
Community Corrections Grant	248	390,290	337,531	53,007
Community Corrections Grant17-18	61,740	234,174	294,428	1,486
Court Recidivism Red Grant2018	-	50,625	38,869	11,756
Supplemental Clerk Odyssey/Trust	741,293	2,425,449	2,357,906	808,836
Supplemental Clerk ISETS/Support	5,571	646,676	646,373	5,874
After Settlement Collections	1,208,614	1,314,195	1,208,614	1,314,195
Supplemental Sheriff's Inmate Trust	9,977	477,050	469,058	17,969
Supplemental Sheriff's Commissary	18,038	450,993	417,394	51,637
Supplemental Sheriff's Buy Money	295	-	20	275
Supplemental Treasurer- Landfill	27,926	572	-	28,498
2015 Economic Development Bonds Dispute Resolution	1,793,468	24,711	-	1,818,179
Landfill Site	1,524	-	-	1,524
Probation Users Fees-Adult	11,153	118,044	126,448	2,749
Probation Users Fees - Juvenile	13,741	11,371	-	25,112
Clerks User Fees	9,825	11,037	11,501	9,361
Prosecutor User Fees	41,509	135,516	158,972	18,053
Alcohol & Drug User Fees	199,788	93,708	105,429	188,067
Comm Corr Project Income	319,536	1,029,815	1,024,889	324,462
Superior II Bail Agency Fund	30,448	14,175	18,880	25,743

KNOX COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-18			12-31-18
Superior I Bail Agency Fund	19,352	4,250	502	23,100
Circuit Court Bail Agency Fund	14,995	-	-	14,995
Tilly Ditch	33,350	11,559	32,309	12,600
904101 Sheriff Donation Fund	18,954	2,272	6,722	14,504
Civil War Monument Restoration	3,076	-	-	3,076
DARE Program-Knox County Rural	128	-	-	128
Special Non-Reverting Fund for Sheriff	7,217	144,700	148,803	3,114
Sheriff Unrestricted Donations	100	-	-	100
Solid Waste Fee - Auditor	5,364	2,563	296	7,631
Solid Waste Fee - Treas.	8,682	2,563	1,261	9,984
Probation Home Monitoring	104,646	351,540	317,569	138,617
In lieu of road bond	6,864	-	-	6,864
Solid Waste Fee-Assessor	8,514	2,563	-	11,077
Surplus Dog Tax Fund	2,302	-	-	2,302
Health Service Fees	255	-	-	255
IDACS (E-911)	7,922	3,500	-	11,422
Infraction Judgements/Restitut	1,225	-	-	1,225
Hazardous Substance Response	276	-	-	276
PTRC & "HC" Holding Fund	80	-	-	80
Victim Assistance (Harbor House)	103	-	-	103
Superior Court Group Home	500	-	-	500
Adult Protective Service	11,450	-	-	11,450
Drug Abuse Prosecution Fund	109,739	153,727	263,466	-
Hillcrest Ins. Settlement 2006	222,911	-	-	222,911
20.601 DUI Task Force 2011	1,498	1,462	294	2,666
16.575 Victims Assistance Grant	514	-	-	514
Co Health Bioterrorism	374	22,365	22,500	239
EMA Performance Grant	(19,333)	23,275	3,575	367
Drug Abuse Pros Interdiction	-	2,295	2,295	-
VAN-GO Grant	-	550,519	550,519	-
Local Emergency Planning & Rig	3,012	6,097	2,573	6,536
Community Correction Grant	3,906	-	-	3,906
IN Criminal Justice Institute	(20,541)	67,092	52,290	(5,739)
Operation Pull Over	1,705	21,737	9,772	13,670
White River Valley Drug Task Force	670	-	-	670
Probation LCC	4,777	4,000	8,677	100
Proslink Implementation Proj	2,496	-	-	2,496
Disaster Public Assistance	1,142	-	-	1,142
97.073 2011 Homeland Security	210	-	-	210
Court Interpreter Grant	409	-	409	-
Workforce Development Grant	-	54,000	54,000	-
Totals	<u>\$ 29,148,759</u>	<u>\$ 109,569,916</u>	<u>\$ 108,672,543</u>	<u>\$ 30,046,132</u>

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.

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

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

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

Note 4. Deposits and Investments

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

KNOX COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice) which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

Financial Report

INPRS 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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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 some of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the County were not received by December 31, 2018. The expenditures of the Settlement fund exceeded the available revenue due to the Town of Edwardsport's (Town) examination of records cost exceeding the tax revenue available for distribution to the Town. The remaining deficit balance was withheld from the Town's tax distribution in 2019.

Note 8. Restatements

For the year ended December 31, 2018, 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, 2017	Prior Period Adjustment	Balance as of January 1, 2018
Park Nonreverting Capital	\$ 152,907	\$ (93,287)	\$ 62,620
Park Nonreverting Operating	62,620	93,287	152,907

Note 9. Holding Corporation

The County has entered into a capital lease with Knox County Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2018 totaled \$256,000.

Note 10. Combined Funds

Funds related to Community Corrections grants were reported individually in the current financial statement, but were combined into one fund in the prior financial statement.

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, 2018

	Treasurer Demand and Judgements	General	Accident Report	Bond Administrative Fees	CEDIT County Share	CEDIT - Special Legislation
Cash and investments - beginning	\$ 85	\$ 2,153,666	\$ 2,907	\$ 5,801	\$ 3,487,488	\$ 78,823
Receipts:						
Taxes	-	8,484,605	-	-	1,650,095	-
Licenses and permits	-	26,801	-	-	-	-
Intergovernmental receipts	-	2,886,435	-	-	-	-
Charges for services	-	871,499	-	-	151,110	-
Fines and forfeits	-	2,624	172	21,882	-	-
Other receipts	-	4,215,735	-	-	24,504	-
Total receipts	-	16,487,699	172	21,882	1,825,709	-
Disbursements:						
Personal services	-	8,749,174	-	-	35,000	53,572
Supplies	-	1,145,412	-	-	-	-
Other services and charges	-	3,906,801	-	-	1,012,963	-
Capital outlay	-	157,088	-	-	1,392,305	-
Other disbursements	-	3,108,846	-	18,425	-	-
Total disbursements	-	17,067,321	-	18,425	2,440,268	53,572
Excess (deficiency) of receipts over disbursements	-	(579,622)	172	3,457	(614,559)	(53,572)
Cash and investments - ending	\$ 85	\$ 1,574,044	\$ 3,079	\$ 9,258	\$ 2,872,929	\$ 25,251

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CASA Donations	City and Town Court Costs	Clerk's Records Perpetuation	COIT County Distributive Shares	Community Transition Program	Congressional School Interest
Cash and investments - beginning	\$ -	\$ 13,626	\$ 129,940	\$ 2,718,792	\$ 91,722	\$ 29,672
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	19,139	-	-	-	-
Other receipts	11,515	-	32,262	-	20,975	-
Total receipts	11,515	19,139	32,262	-	20,975	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	625	10,422	-
Other services and charges	-	-	-	35,062	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	17,000	-	-	34,000	1,705
Total disbursements	-	17,000	-	35,687	44,422	1,705
Excess (deficiency) of receipts over disbursements	11,515	2,139	32,262	(35,687)	(23,447)	(1,705)
Cash and investments - ending	\$ 11,515	\$ 15,765	\$ 162,202	\$ 2,683,105	\$ 68,275	\$ 27,967

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Congressional School Principal	Housing of Prisoners	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Drainage	Drug Free Community
Cash and investments - beginning	\$ 42,619	\$ 331,974	\$ 42,095	\$ 1,134,879	\$ 789,524	\$ 24,668
Receipts:						
Taxes	-	-	4,410	444,270	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	38,422	-	-
Charges for services	-	999,251	-	-	-	-
Fines and forfeits	-	-	-	-	-	17,793
Other receipts	-	-	-	364,890	545,060	174,444
Total receipts	-	999,251	4,410	847,582	545,060	192,237
Disbursements:						
Personal services	-	199,416	-	230,853	-	-
Supplies	-	158,156	-	4,989	-	-
Other services and charges	-	460,816	-	201,544	-	26,000
Capital outlay	-	58,915	-	711,999	-	-
Other disbursements	-	144,700	-	-	355,537	-
Total disbursements	-	1,022,003	-	1,149,385	355,537	26,000
Excess (deficiency) of receipts over disbursements	-	(22,752)	4,410	(301,803)	189,523	166,237
Cash and investments - ending	\$ 42,619	\$ 309,222	\$ 46,505	\$ 833,076	\$ 979,047	\$ 190,905

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Fire Arms Training	General Drain Improvement	Health	Identity Security Protection	Levy Excess	Local Health Maintenance Fund
Cash and investments - beginning	\$ 7,377	\$ 141,122	\$ 198,016	\$ 26,012	\$ 28,359	\$ 57,432
Receipts:						
Taxes	-	-	47,732	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	4,128	-	-	33,139
Charges for services	-	-	197,434	-	-	-
Fines and forfeits	8,010	-	-	-	-	-
Other receipts	-	34,671	646	6,008	-	46
Total receipts	8,010	34,671	249,940	6,008	-	33,185
Disbursements:						
Personal services	-	-	321,689	-	-	3,760
Supplies	-	-	5,540	-	-	5,924
Other services and charges	-	-	12,836	-	-	1,004
Capital outlay	-	-	-	-	-	5,941
Other disbursements	14,969	156,874	32	-	-	-
Total disbursements	14,969	156,874	340,097	-	-	16,629
Excess (deficiency) of receipts over disbursements	(6,959)	(122,203)	(90,157)	6,008	-	16,556
Cash and investments - ending	\$ 418	\$ 18,919	\$ 107,859	\$ 32,020	\$ 28,359	\$ 73,988

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Local Road and Street	Jail Misdemeanant	Motor Vehicle Highway	TMA Audit Fund	Park Nonreverting Operating	Park Nonreverting Capital
Cash and investments - beginning	\$ 405,584	\$ 42,169	\$ 1,125,125	\$ 215,976	\$ 152,907	\$ 62,620
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	499,613	27,832	4,183,958	-	-	53,539
Charges for services	-	-	-	-	107,900	-
Fines and forfeits	4,200	-	-	-	-	-
Other receipts	2,184	-	273,439	36,261	-	-
Total receipts	505,997	27,832	4,457,397	36,261	107,900	53,539
Disbursements:						
Personal services	-	-	1,435,725	-	-	-
Supplies	318,215	-	1,613,869	-	12,810	-
Other services and charges	8,316	-	405,032	19,055	55,571	-
Capital outlay	-	-	1,295,472	-	2,391	-
Other disbursements	-	-	-	-	-	63,371
Total disbursements	326,531	-	4,750,098	19,055	70,772	63,371
Excess (deficiency) of receipts over disbursements	179,466	27,832	(292,701)	17,206	37,128	(9,832)
Cash and investments - ending	\$ 585,050	\$ 70,001	\$ 832,424	\$ 233,182	\$ 190,035	\$ 52,788

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Planning and Zoning Impact	Plat Book	Rainy Day Fund	Reassessment - 2015	Recorder's Records Perpetuation	Revenue Sharing
Cash and investments - beginning	\$ 39,015	\$ 5,427	\$ 4,187,325	\$ 1,285,296	\$ 41,599	\$ 83,077
Receipts:						
Taxes	80,776	-	-	190,926	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	6,986	-	-	16,512	-	-
Charges for services	-	-	-	-	84,128	-
Fines and forfeits	14,470	-	-	-	-	-
Other receipts	42,699	-	3,400,000	4,585	686	-
Total receipts	144,931	-	3,400,000	212,023	84,814	-
Disbursements:						
Personal services	106,681	-	-	25,666	34,109	-
Supplies	1,780	-	-	2,888	66,339	-
Other services and charges	3,054	-	-	251,920	-	-
Capital outlay	-	-	-	14,550	-	-
Other disbursements	50,000	-	3,225,025	150,000	-	83,077
Total disbursements	161,515	-	3,225,025	445,024	100,448	83,077
Excess (deficiency) of receipts over disbursements	(16,584)	-	174,975	(233,001)	(15,634)	(83,077)
Cash and investments - ending	\$ 22,431	\$ 5,427	\$ 4,362,300	\$ 1,052,295	\$ 25,965	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Solid Waste	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale	Tax Sale Surplus	IN Health Depart Trust Account
Cash and investments - beginning	\$ (10,352)	\$ 76,458	\$ 23,579	\$ 356,234	\$ 273,235	\$ 42,879
Receipts:						
Taxes	-	-	-	601,626	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	22,332
Charges for services	-	-	29,800	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	154,536	74,553	-	-	-	-
Total receipts	154,536	74,553	29,800	601,626	-	22,332
Disbursements:						
Personal services	143,682	-	6,554	-	-	12,480
Supplies	-	-	-	-	-	1,501
Other services and charges	-	-	1,316	99,838	-	3,300
Capital outlay	-	-	10,380	-	-	-
Other disbursements	-	69,786	-	648,611	-	-
Total disbursements	143,682	69,786	18,250	748,449	-	17,281
Excess (deficiency) of receipts over disbursements	10,854	4,767	11,550	(146,823)	-	5,051
Cash and investments - ending	\$ 502	\$ 81,225	\$ 35,129	\$ 209,411	\$ 273,235	\$ 47,930

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Guardian Ad Litem	CASA - United Way	GAL/CASA	Auditors Ineligible Deductions	Elected Officials Training	Park and Recreation
Cash and investments - beginning	\$ 1,832	\$ -	\$ -	\$ 10,963	\$ 20,815	\$ 250,774
Receipts:						
Taxes	-	-	-	-	-	257,870
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	40,637	-	-	3,422
Charges for services	-	-	-	-	-	107
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	2,000	-	-	6,108	-
Total receipts	-	2,000	40,637	-	6,108	261,399
Disbursements:						
Personal services	-	-	-	-	-	273,259
Supplies	-	-	-	-	-	36,309
Other services and charges	-	-	-	-	-	31,156
Capital outlay	-	-	-	-	-	5,550
Other disbursements	-	-	40,637	-	673	-
Total disbursements	-	-	40,637	-	673	346,274
Excess (deficiency) of receipts over disbursements	-	2,000	-	-	5,435	(84,875)
Cash and investments - ending	\$ 1,832	\$ 2,000	\$ -	\$ 10,963	\$ 26,250	\$ 165,899

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	County 911	Adult Probation Administration	Juvenile Administration Fee	Mill Creek Maintenance Fund	Brevoort Conservancy	Prosecutor Seized Asset Fund
Cash and investments - beginning	\$ 532,336	\$ 18,162	\$ 11,647	\$ -	\$ -	\$ 22,830
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	503,927	-	-	-	-	-
Fines and forfeits	-	34,569	-	-	-	-
Other receipts	679,500	-	-	127,931	472,837	-
Total receipts	1,183,427	34,569	-	127,931	472,837	-
Disbursements:						
Personal services	154,198	43,324	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	93,885	-	-	-	-	-
Capital outlay	2,341	-	-	-	-	-
Other disbursements	764,293	-	-	127,931	472,837	-
Total disbursements	1,014,717	43,324	-	127,931	472,837	-
Excess (deficiency) of receipts over disbursements	168,710	(8,755)	-	-	-	-
Cash and investments - ending	\$ 701,046	\$ 9,407	\$ 11,647	\$ -	\$ -	\$ 22,830

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	K-9 Donations	Donations	KC TIF Allocation (RDC)	Self-Insurance	NG911 Capital Improvement AT&T	Employee Deductions
Cash and investments - beginning	\$ -	\$ 525	\$ 483,684	\$ 2,166,100	\$ -	\$ 246
Receipts:						
Taxes	-	-	1,890,901	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	6,722	995	49,266	3,477,627	679,500	88,826
Total receipts	6,722	995	1,940,167	3,477,627	679,500	88,826
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,200	-	1,159,901	2,711,687	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	721	14,325	-	-	88,826
Total disbursements	1,200	721	1,174,226	2,711,687	-	88,826
Excess (deficiency) of receipts over disbursements	5,522	274	765,941	765,940	679,500	-
Cash and investments - ending	\$ 5,522	\$ 799	\$ 1,249,625	\$ 2,932,040	\$ 679,500	\$ 246

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Payroll Withholding - Federal	Payroll Withholding - FICA & Medicare	Retirements	Payroll Withholding - State	Settlement
Cash and investments - beginning	\$ -	\$ -	\$ 14,190	\$ -	\$ 19,137
Receipts:					
Taxes	780,504	1,330,328	-	391,088	44,468,479
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	1,320,212
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	1,023,759	-	-
Total receipts	780,504	1,330,328	1,023,759	391,088	45,788,691
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	780,504	1,330,328	1,023,726	391,088	45,808,688
Total disbursements	780,504	1,330,328	1,023,726	391,088	45,808,688
Excess (deficiency) of receipts over disbursements	-	-	33	-	(19,997)
Cash and investments - ending	\$ -	\$ -	\$ 14,223	\$ -	\$ (860)

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	CVET Agency	Financial Institution Tax	Business Personal Property Exe	Homestead Credit Rebate	State Fines and Forfeitures
Cash and investments - beginning	\$ -	\$ -	\$ 3,600	\$ 30,173	\$ 399
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	312,944	372,010	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	2,500	-	6,814
Other receipts	-	-	-	-	-
Total receipts	<u>312,944</u>	<u>372,010</u>	<u>2,500</u>	<u>-</u>	<u>6,814</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	312,709	372,010	1,800	-	5,271
Total disbursements	<u>312,709</u>	<u>372,010</u>	<u>1,800</u>	<u>-</u>	<u>5,271</u>
Excess (deficiency) of receipts over disbursements	<u>235</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>1,543</u>
Cash and investments - ending	<u>\$ 235</u>	<u>\$ -</u>	<u>\$ 4,300</u>	<u>\$ 30,173</u>	<u>\$ 1,942</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Infraction Judgements	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Recovery Fees - State Share	Forest Restoration
Cash and investments - beginning	\$ 3,848	\$ 195	\$ 400	\$ 408	\$ 305	\$ 29
Receipts:						
Taxes	-	-	-	-	-	39
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	47,528	-	-	-	-	-
Other receipts	-	3,270	4,410	5,351	2,810	-
Total receipts	47,528	3,270	4,410	5,351	2,810	39
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	46,237	2,755	3,805	4,846	2,668	-
Total disbursements	46,237	2,755	3,805	4,846	2,668	-
Excess (deficiency) of receipts over disbursements	1,291	515	605	505	142	39
Cash and investments - ending	\$ 5,139	\$ 710	\$ 1,005	\$ 913	\$ 447	\$ 68

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Inheritance Tax	Education Plate Fees Distribution	Riverboat Revenue Sharing	Innkeepers Tax Collections	93.563 Prosecutor PCA	93.563 ARRA Clerk IV-D Incentive
Cash and investments - beginning	\$ 116,420	\$ -	\$ -	\$ 59,593	\$ 1,615	\$ 11,842
Receipts:						
Taxes	-	-	-	396,516	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	227,716	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	3,938	-
Other receipts	-	750	-	-	-	-
Total receipts	-	750	227,716	396,516	3,938	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	388,949	1,556	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	750	227,716	-	-	11,842
Total disbursements	-	750	227,716	388,949	1,556	11,842
Excess (deficiency) of receipts over disbursements	-	-	-	7,567	2,382	(11,842)
Cash and investments - ending	\$ 116,420	\$ -	\$ -	\$ 67,160	\$ 3,997	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incent P 99	93.563 Clerk 4-D Incent P 99	Court Recidivism Reduction	Problem Solving Grant	Prosecutor Drug Grant
Cash and investments - beginning	\$ 69,614	\$ 21,361	\$ 55,291	\$ 10,842	\$ 29	\$ 2,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	23,063	7,000	-
Charges for services	-	17,786	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,687	-	21,529	-	-	-
Total receipts	9,687	17,786	21,529	23,063	7,000	-
Disbursements:						
Personal services	-	316	9,824	33,293	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	991	-
Capital outlay	-	-	-	-	-	-
Other disbursements	7,238	21,882	-	-	-	2,000
Total disbursements	7,238	22,198	9,824	33,293	991	2,000
Excess (deficiency) of receipts over disbursements	2,449	(4,412)	11,705	(10,230)	6,009	(2,000)
Cash and investments - ending	\$ 72,063	\$ 16,949	\$ 66,996	\$ 612	\$ 6,038	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Cumulative Capital Development	MADD-Mothers Against Drunk Drivers	Pre-Trial Diversion Fund	Knox County Law Enforcement	Park Donations- Christmas	Knox County Drug Court User
Cash and investments - beginning	\$ -	\$ 3,525	\$ 4,086	\$ 175	\$ 1,612	\$ 2,900
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	330,914	-	-	-	13,151	11,571
Total receipts	330,914	-	-	-	13,151	11,571
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	280
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	10,672	-
Total disbursements	-	-	-	-	10,672	280
Excess (deficiency) of receipts over disbursements	330,914	-	-	-	2,479	11,291
Cash and investments - ending	\$ 330,914	\$ 3,525	\$ 4,086	\$ 175	\$ 4,091	\$ 14,191

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	LIT Certified Shares	LIT Economic Development	NK Waste Water Plan Grant	Supplemental Knox County Benefit Trust	Sheriff Finds Trust Account	Community Corrections Grant
Cash and investments - beginning	\$ -	\$ -	\$ 423	\$ 186,543	\$ -	\$ 248
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	4,495,896	3,189,161	-	-	-	390,290
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	2,277,744	34,975	-
Total receipts	4,495,896	3,189,161	-	2,277,744	34,975	390,290
Disbursements:						
Personal services	-	-	-	-	-	336,431
Supplies	-	-	-	-	-	800
Other services and charges	-	-	-	-	-	52
Capital outlay	-	-	-	-	-	-
Other disbursements	4,495,896	3,189,161	-	2,464,287	-	248
Total disbursements	4,495,896	3,189,161	-	2,464,287	-	337,531
Excess (deficiency) of receipts over disbursements	-	-	-	(186,543)	34,975	52,759
Cash and investments - ending	\$ -	\$ -	\$ 423	\$ -	\$ 34,975	\$ 53,007

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Community Corrections Grant17-18	Court Recidivism Red Grant2018	Supplemental Clerk Odyssey/Trust	Supplemental Clerk ISETS/Support	After Settlement Collections	Supplemental Sheriff's Inmate Trust
Cash and investments - beginning	\$ 61,740	\$ -	\$ 741,293	\$ 5,571	\$ 1,208,614	\$ 9,977
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	234,174	50,625	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	2,425,449	646,676	1,314,195	477,050
Total receipts	234,174	50,625	2,425,449	646,676	1,314,195	477,050
Disbursements:						
Personal services	294,319	29,671	-	-	-	-
Supplies	109	-	-	-	-	-
Other services and charges	-	9,198	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	2,357,906	646,373	1,208,614	469,058
Total disbursements	294,428	38,869	2,357,906	646,373	1,208,614	469,058
Excess (deficiency) of receipts over disbursements	(60,254)	11,756	67,543	303	105,581	7,992
Cash and investments - ending	\$ 1,486	\$ 11,756	\$ 808,836	\$ 5,874	\$ 1,314,195	\$ 17,969

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Supplemental Sheriff's Commissary	Supplemental Sheriff's Buy Money	Supplemental Treasurer- Landfill	2015 Economic Development Bonds Dispute Resolution	Landfill Site	Probation Users Fees-Adult
Cash and investments - beginning	\$ 18,038	\$ 295	\$ 27,926	\$ 1,793,468	\$ 1,524	\$ 11,153
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	572	-	-	-
Fines and forfeits	-	-	-	-	-	118,044
Other receipts	450,993	-	-	24,711	-	-
Total receipts	450,993	-	572	24,711	-	118,044
Disbursements:						
Personal services	-	-	-	-	-	126,448
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	417,394	20	-	-	-	-
Total disbursements	417,394	20	-	-	-	126,448
Excess (deficiency) of receipts over disbursements	33,599	(20)	572	24,711	-	(8,404)
Cash and investments - ending	\$ 51,637	\$ 275	\$ 28,498	\$ 1,818,179	\$ 1,524	\$ 2,749

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Probation Users Fees - Juvenile	Clerks User Fees	Prosecutor User Fees	Alcohol & Drug User Fees	Comm Corr Project Income	Superior II Bail Agency Fund
Cash and investments - beginning	\$ 13,741	\$ 9,825	\$ 41,509	\$ 199,788	\$ 319,536	\$ 30,448
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	11,037	135,040	-	-	-
Fines and forfeits	11,371	-	-	92,800	995,815	14,175
Other receipts	-	-	476	908	34,000	-
Total receipts	11,371	11,037	135,516	93,708	1,029,815	14,175
Disbursements:						
Personal services	-	3,128	130,654	88,742	547,877	890
Supplies	-	-	7,480	7,173	144,773	-
Other services and charges	-	8,373	19,042	9,314	298,391	-
Capital outlay	-	-	1,796	-	33,631	-
Other disbursements	-	-	-	200	217	17,990
Total disbursements	-	11,501	158,972	105,429	1,024,889	18,880
Excess (deficiency) of receipts over disbursements	11,371	(464)	(23,456)	(11,721)	4,926	(4,705)
Cash and investments - ending	\$ 25,112	\$ 9,361	\$ 18,053	\$ 188,067	\$ 324,462	\$ 25,743

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Superior I Bail Agency Fund	Circuit Court Bail Agency Fund	Tilly Ditch	904101 Sheriff Donation Fund	Civil War Monument Restoration	DARE Program-Knox County Rural
Cash and investments - beginning	\$ 19,352	\$ 14,995	\$ 33,350	\$ 18,954	\$ 3,076	\$ 128
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	4,250	-	-	-	-	-
Other receipts	-	-	11,559	2,272	-	-
Total receipts	4,250	-	11,559	2,272	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	6,722	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	502	-	32,309	-	-	-
Total disbursements	502	-	32,309	6,722	-	-
Excess (deficiency) of receipts over disbursements	3,748	-	(20,750)	(4,450)	-	-
Cash and investments - ending	\$ 23,100	\$ 14,995	\$ 12,600	\$ 14,504	\$ 3,076	\$ 128

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Special Non-Reverting Fund for Sheriff	Sheriff Unrestricted Donations	Solid Waste Fee - Auditor	Solid Waste Fee - Treas.	Probation Home Monitoring	In lieu of road bond
Cash and investments - beginning	\$ 7,217	\$ 100	\$ 5,364	\$ 8,682	\$ 104,646	\$ 6,864
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	2,563	2,563	351,540	-
Other receipts	144,700	-	-	-	-	-
Total receipts	144,700	-	2,563	2,563	351,540	-
Disbursements:						
Personal services	-	-	-	-	305,223	-
Supplies	-	-	296	-	4,164	-
Other services and charges	-	-	-	-	7,792	-
Capital outlay	148,803	-	-	1,261	-	-
Other disbursements	-	-	-	-	390	-
Total disbursements	148,803	-	296	1,261	317,569	-
Excess (deficiency) of receipts over disbursements	(4,103)	-	2,267	1,302	33,971	-
Cash and investments - ending	\$ 3,114	\$ 100	\$ 7,631	\$ 9,984	\$ 138,617	\$ 6,864

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Solid Waste Fee-Assessor	Surplus Dog Tax Fund	Health Service Fees	IDACS (E-911)	Infraction Judgements/Restitut	Hazardous Substance Response
Cash and investments - beginning	\$ 8,514	\$ 2,302	\$ 255	\$ 7,922	\$ 1,225	\$ 276
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	2,563	-	-	-	-	-
Other receipts	-	-	-	3,500	-	-
Total receipts	<u>2,563</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,563</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 11,077</u>	<u>\$ 2,302</u>	<u>\$ 255</u>	<u>\$ 11,422</u>	<u>\$ 1,225</u>	<u>\$ 276</u>

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	PTRC & "HC" Holding Fund	Victim Assistance (Harbor House)	Superior Court Group Home	Adult Protective Service	Drug Abuse Prosecution Fund	Hillcrest Ins. Settlement 2006
Cash and investments - beginning	\$ 80	\$ 103	\$ 500	\$ 11,450	\$ 109,739	\$ 222,911
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	153,727	-
Total receipts	-	-	-	-	153,727	-
Disbursements:						
Personal services	-	-	-	-	67,517	-
Supplies	-	-	-	-	3,254	-
Other services and charges	-	-	-	-	17,969	-
Capital outlay	-	-	-	-	282	-
Other disbursements	-	-	-	-	174,444	-
Total disbursements	-	-	-	-	263,466	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(109,739)	-
Cash and investments - ending	\$ 80	\$ 103	\$ 500	\$ 11,450	\$ -	\$ 222,911

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	20.601 DUI Task Force 2011	16.575 Victims Assistance Grant	Co Health Bioterrorism	EMA Performance Grant	Drug Abuse Pros Interdiction	VAN-GO Grant
Cash and investments - beginning	\$ 1,498	\$ 514	\$ 374	\$ (19,333)	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,462	-	22,365	-	-	550,519
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	2,295	-
Other receipts	-	-	-	23,275	-	-
Total receipts	1,462	-	22,365	23,275	2,295	550,519
Disbursements:						
Personal services	294	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	22,500	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	3,575	2,295	550,519
Total disbursements	294	-	22,500	3,575	2,295	550,519
Excess (deficiency) of receipts over disbursements	1,168	-	(135)	19,700	-	-
Cash and investments - ending	\$ 2,666	\$ 514	\$ 239	\$ 367	\$ -	\$ -

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Local Emergency Planning & Rig	Community Correction Grant	IN Criminal Justice Institute	Operation Pull Over	White River Valley Drug Task Force	Probation LCC
Cash and investments - beginning	\$ 3,012	\$ 3,906	\$ (20,541)	\$ 1,705	\$ 670	\$ 4,777
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	6,097	-	67,092	21,737	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	4,000
Total receipts	6,097	-	67,092	21,737	-	4,000
Disbursements:						
Personal services	-	-	52,290	9,772	-	-
Supplies	218	-	-	-	-	8,677
Other services and charges	1,486	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	869	-	-	-	-	-
Total disbursements	2,573	-	52,290	9,772	-	8,677
Excess (deficiency) of receipts over disbursements	3,524	-	14,802	11,965	-	(4,677)
Cash and investments - ending	\$ 6,536	\$ 3,906	\$ (5,739)	\$ 13,670	\$ 670	\$ 100

KNOX COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Proslink Implementation Proj	Disaster Public Assistance	97.073 2011 Homeland Security	Court Interpreter Grant	Workforce Development Grant	Totals
Cash and investments - beginning	\$ 2,496	\$ 1,142	\$ 210	\$ 409	\$ -	\$ 29,148,759
Receipts:						
Taxes	-	-	-	-	-	61,020,165
Licenses and permits	-	-	-	-	-	26,801
Intergovernmental receipts	-	-	-	-	54,000	17,843,106
Charges for services	-	-	-	-	-	4,429,803
Fines and forfeits	-	-	-	-	-	1,781,618
Other receipts	-	-	-	-	-	24,468,423
Total receipts	-	-	-	-	54,000	109,569,916
Disbursements:						
Personal services	-	-	-	-	-	13,865,831
Supplies	-	-	-	-	-	3,561,723
Other services and charges	-	-	-	-	-	11,294,872
Capital outlay	-	-	-	-	-	3,842,705
Other disbursements	-	-	-	409	54,000	76,107,412
Total disbursements	-	-	-	409	54,000	108,672,543
Excess (deficiency) of receipts over disbursements	-	-	-	(409)	-	897,373
Cash and investments - ending	\$ 2,496	\$ 1,142	\$ 210	\$ -	\$ -	\$ 30,046,132

KNOX COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Knox County Holding Corporation	Land for Industrial Park - 2001	\$ 256,000	1/15/2012	1/15/2021
Fifth Third Bank	Enhanced E911 Lease	90,712	3/6/2018	4/1/2028
Catepillar	2017 M318F-1 Wheeled Hydraulic Excavator	29,699	4/4/2018	4/26/2022
MacCallister	2014 140M3 Motor Grader	27,500	1/5/2018	1/4/2019
Catepillar	2014 924k Wheel Loader	71,000	3/6/2014	3/6/2019
Catepillar	2016 140M3 Motor Grader	22,813	3/23/2017	4/3/2020
Catepillar	2017 M318F-1 Wheeled Hydraulic Excavator	29,699	4/4/2018	4/26/2022
John Deere	2014 Tractor with Mower and Loader	16,612	4/14/2014	1/4/2019
Catepillar	2016 140M3 Motor Grader N9D000487	<u>22,321</u>	1/4/2016	1/4/2019
Total governmental activities		<u>566,356</u>		
Total of annual lease payments		<u>\$ 566,356</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	\$ 1,387,500
Total governmental activities			<u>27,000,000</u>	<u>1,387,500</u>
Totals			<u>\$ 27,000,000</u>	<u>\$ 1,387,500</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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, 2018. 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, 2018.

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 2018-003, 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
Paul D. Joyce, CPA
State Examiner

July 31, 2019

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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, 2018

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
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii CDBG -SIDC Workforce Development	Office of the Lieutenant Governor	14.228	B-08-DI-18-0001	\$ -	\$ 54,000
Total - Department of Housing and Urban Development				-	54,000
<u>Department of Interior</u>					
Outdoor Recreation Acquisition, Development and Planning Fox Ridge Park	Indiana Department of Natural Resources	15.916	38-DR2-09-283	-	53,539
Total - Department of Interior				-	53,539
<u>Department of Justice</u>					
Crime Victim Assistance VOCA	Indiana Criminal Justice Institute	16.575	2015-VA-GX-0062	-	67,092
Total - Department of Justice				-	67,092
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Countywide Sign Replacement Phase I Countywide Sign Replacement Phase II Countywide Bridge Inspection and Inventory (Cycle Years 2017-2020) Bridge 382	Indiana Department of Transportation	20.205 20.205 20.205 20.205	DES 1383643 DES 1400812 DES 1592991 DES 1600892	- - - -	4,900 13,392 205,248 34,555
Total - Highway Planning and Construction Cluster				-	258,095
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	D3-18-11892	-	21,737
Alcohol Impaired Driving Countermeasures Incentive Grants I DUI Taskforce Indiana	Indiana Criminal Justice Institute	20.601	D3-18-12052	-	1,462
Total - Highway Safety Cluster				-	23,199
Formula Grants for Rural Areas Van-Go	Indiana Department of Transportation	20.509	A249-17-G160268 A249-18-G170192	95,726 315,149	95,726 315,149
Total - Formula Grants for Rural Areas				410,875	410,875
Total - Department of Transportation				410,875	692,169
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism & Public Health	Indiana Department of Health	93.074 93.074	40093074PHEPA18 40093074PHEPA19	- -	8,865 13,500
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	22,365
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 County IV-D Incentives	Indiana Department of Child Services	93.563 93.563 93.563 93.563 93.563 93.563 93.563	FY 2018 FY 2018 FY 2018 FY 2018 FY 2018 FY 2018 FY 2018	- - - - - - -	113,330 10,290 33,017 9,824 24,689 7,238
Total - Child Support Enforcement				-	198,388
Total - Department of Health and Human Services				-	220,753
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	38517EMPG000000	-	10,555
Total - Emergency Management Performance Grants				-	10,555
Homeland Security Grant Program EMA Performance & Planning Grant 2015	Indiana Department of Homeland Security	97.067	C44P-5-599B	-	19,700
Total - Department of Homeland Security				-	30,255
Total federal awards expended				\$ 410,875	\$ 1,117,808

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, 2018. 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 findings 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
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
--	----

Section II - Financial Statement Findings

FINDING 2018-001

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 2017-001.

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). An employee in the County Auditor's office 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 that would have ensured federal award information entered and submitted was correct.

Context

The SEFA presented for audit contained the following errors:

1. Ten of the eleven federal program titles on the SEFA were incorrectly entered as the local project name, rather than the correct federal program title.
2. One state grant was incorrectly included on the SEFA, resulting in an overstatement of expenditures of \$2,573.
3. Two federal grants were incorrectly reported, resulting in an understatement of expenditures in the amount of \$168,582.
4. Two federal grants were omitted from the SEFA, resulting in an understatement of expenditures in the amount of \$60,519.
5. The amount passed through to subrecipients for one federal program was not included on the SEFA, resulting in an understatement of the amount passed through to subrecipients of \$410,875.

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)

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 2018-002

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

Repeat Finding

This is a repeat finding from the two immediately prior audits. The prior audit finding numbers were 2016-002 and 2017-002.

Condition

There were several deficiencies in the internal control system of the County related to financial transactions and reporting.

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 being 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.

Context

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

1. Five supplemental County funds were reported that should not have been included.
2. Three County funds were not included on the financial statement that should have been.
3. One posting error resulted in an understatement of disbursements.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The net difference of the errors resulted in an understatement of reported receipts and disbursements of \$56,658 and \$184,376, respectively; an understatement of the beginning cash and investment balance of \$1,130,778; and an understatement of the ending balance of \$889,744.

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

Criteria

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

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

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

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

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 inclusive, but is reproduced here for reference purposes: . . .

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

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 the financial statement was accurate.

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 2018-003

Subject: Highway Planning and Construction Cluster - Cash Management
and Matching, Level of Effort, Earmarking

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 1383643, DES 1400812,
DES 1592991, DES 1600892

Pass-Through Entity: Indiana Department of Transportation

Compliance Requirements: Cash Management; Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit, pertaining to Cash Management. The prior audit finding number was 2017-003.

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 following compliance requirements: Cash Management and Matching, Level of Effort, Earmarking.

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 that expenses were paid prior to requesting reimbursement, or that the correct federal percentage rate was used in the calculation.

Context

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

KNOX COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over 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 that segregated key functions.

Effect

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

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

Auditor Micheal P. Morris
111 N 7th St, Suite 5
Vincennes, IN 47591
812-885-2502

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001

Fiscal year in which the finding initially occurred: 2013

Contact Person Responsible for Corrective Action: Micheal P. Morris, Knox County Auditor

Contact Phone Number: (812)885-2502

Status of Audit Finding:

Corrective action plan from previous administration anticipated completion for the next audited year of 2018. The new administration is working on implementing procedures to correct prior errors and move forward.

Expected Date of Completion: by the Annual Financial Reporting (AFR) for 2019

FINDING 2017-002

Fiscal year in which the finding initially occurred: 2013

Contact Person Responsible for Corrective Action: Micheal P. Morris, Knox County Auditor

Contact Phone Number: (812)885-2502

Status of Audit Finding:

Corrective action plan from previous administration anticipated completion date: 11/14/18. The new administration is working on implementing procedures to correct prior error and move forward with more of an understanding of reporting procedures.

Expected Date of Completion: by the Annual Financial Reporting (AFR) for 2019.

Finding 2017-003

Fiscal year in which the finding initially occurred: 2016

Pass-Through Entity: Indiana Department of Transportation

Federal Program: Highway Planning and Construction

Contact Person Responsible for Corrective Action: Bill Horner

Contact Phone Number: 812-882-2884



KNOX COUNTY AUDITOR

MIKE MORRIS

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502

Finding 2018-001

Contact Person Responsible for Corrective Action: Micheal P. Morris

Contact Phone Number: 812-885-2502

Views of Responsible Official: We concur with the finding.

Subject: Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

The auditor bookkeeper was informed of the reported errors on the SEFA submitted on the Gateway system. The bookkeeper then corrected the errors on the Annual Financial Report (AFR) on the Gateway system and the AFR was then verified by another auditor staff member before being resubmitted.

Description of Corrective Action Plan:

With the audit of the 2018 SEFA, the new auditor administration has developed new protocols to ensure accurate reporting of the SEFA:

The county auditor's office is responsible for all grant activity in the county. The Auditor's office will keep a master list of all grants awarded to county departments. This list will contain information on the type of grant name and amount, the CFDA number, any pass-through agencies, and information about the purpose and use of the grant. This information will be reviewed by the department receiving the grant and the Auditor's office staff. To ensure that information is current and accurate another Auditor's office staff member will review so that reporting is correct.

The website www.beta.sam.gov is available to use for accurate CFDA reporting of Federal Program titles. The auditor office employees will also attend a Department of Justice seminar title 2019 Basic Financial Management Training Seminar in July of 2019. Auditor employees will also attend other seminars as they become available.

The annual reporting of grant information on the Gateway system will be reviewed by the departments, an auditor office employee, and an independent accountant to verify that all the information is correct before submission.

Anticipated Completion Date: Immediately



KNOX COUNTY AUDITOR

MIKE MORRIS

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 932-2002

Michael Morris

(Signature)

Auditor

(Title)

07/23/2019

(Date)



KNOX COUNTY AUDITOR

Mike Morris

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502

Finding 2018-002

Contact Person Responsible for Corrective Action: Micheal P. Morris

Contact Phone Number: 812-885-2502

Views of Responsible Official: We concur with the finding.

Subject: Financial Transactions and Reporting

During the 2018 audit of the Annual Financial Report (AFR), it was noted that errors were reported on the AFR. These errors were reviewed with Julie Lancaster, the bookkeeper. The bookkeeper then entered the correct information into the Gateway system and resubmitted the AFR. The bookkeeper and the auditor then verified that the AFR agreed with the county ledger as 12/31/18.

Description of Corrective Action Plan:

With the audit of the 2018 AFR, the new administration became aware of several deficiencies in the reporting on Gateway. As a result, the new administration has taken steps to implement internal controls to verify the accuracy of the information reported to the State of Indiana. Going forward, all reporting will be checked by no less than 2 members of the auditor staff, the elected Auditor, and an accountant who is independently contracted by the County. The protocol will be as such – The county bookkeeper will print out the appropriate fund information. Another employee will review the fund information and discuss any discrepancies or questions with the bookkeeper. Once done, the bookkeeper will review the information with the Auditor. Once reviewed, the information will be entered into the Gateway system and the information on the AFR will be reviewed by the independent accountant.

2019-began reporting monthly uploads of the Monthly Comparison Report on Gateway per SBOA requirements.

We will also use Harris Financial software to upload reports to Gateway when possible to help with the Annual Financial Reporting. We weren't aware of this possibility this year while preparing the AFR. Adding these additional steps will help ensure correct reporting to the AFR.



Anticipated Completion Date: Immediately

KNOX COUNTY AUDITOR

MIKE MORRIS

COURTHOUSE

111 N. SEVENTH STREET, STE. 5

VINCENNES, IN 47591

(812) 885-2502

Michael P. Morris

(Signature)

Auditor

(Title)

07/23/2019

(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 2018-003

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: Corrective Action has already been put in place.



(Signature)

Administrative Assistant

(Title)

5/22/19

(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/>.