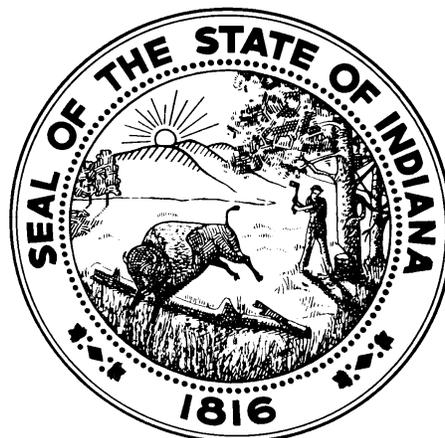


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

DAVISS COUNTY, INDIANA



FILED

03/29/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Gail Doades	01-01-07 to 12-31-10
Treasurer	Joyce Goodwin Martin L. Mumaw III	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Clerk	Rosemary Abel Sherrie Haley	03-13-04 to 03-12-08 03-13-08 to 03-12-12
Sheriff	Steve Cox	01-01-07 to 12-31-10
Recorder	Marcella Flint	01-01-05 to 12-31-12
President of the Board of County Commissioners	Jim Truelove Anthony D. Wichman	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the County Council	Michael Sprinkle Jack Graber	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daviess County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include a component unit of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component unit of the County referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 16, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 16, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daviess County (County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2009. The opinions to the financial statements were qualified due to the omission of a component unit which results in an incomplete presentation. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 16, 2009

DAVIESS COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 11,358,035	\$ 175,730	\$ 489,000	\$ (10,693,305)
Public safety	5,138,553	1,268,145	-	(3,870,408)
Highways and streets	3,855,113	-	1,974,076	(1,881,037)
Health and welfare	2,299,657	80,589	524,620	(1,694,448)
Culture and recreation	899,339	677,700	-	(221,639)
Principal and interest on indebtedness	104,679	-	-	(104,679)
 Total governmental activities	 <u>\$ 23,655,376</u>	 <u>\$ 2,202,164</u>	 <u>\$ 2,987,696</u>	 <u>(18,465,516)</u>
General receipts:				
Property taxes				9,580,635
Intergovernmental				974,529
Other local sources				8,947,240
Grants and contributions not restricted to specific programs				472,282
Investment earnings				654,839
 Total general receipts				 <u>20,629,525</u>
 Change in net assets				 2,164,009
 Net assets - beginning				 <u>18,020,254</u>
 Net assets - ending				 <u>\$ 20,184,263</u>
 <u>Assets</u>				
Cash and investments				\$ 8,438,611
Restricted assets:				
Cash and investments				<u>11,745,652</u>
 Total assets				 <u>\$ 20,184,263</u>
 <u>Net Assets</u>				
Restricted for:				
General government				\$ 4,942,263
Public safety				2,323,554
Highways and streets				1,933,784
Health and welfare				406,067
Culture and recreation				99,837
Capital outlay				2,040,147
Unrestricted				<u>8,438,611</u>
 Total net assets				 <u>\$ 20,184,263</u>

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

DAVISS COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Highway	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 9,352,211	\$ 57,720	\$ 4,627,645	\$ 14,037,576
Licenses and permits	-	-	48,186	48,186
Intergovernmental	742,948	2,194,385	1,854,625	4,791,958
Charges for services	540,150	-	1,283,124	1,823,274
Fines and forfeits	185,723	-	144,981	330,704
Other	1,093,091	683,370	3,011,226	4,787,687
Total receipts	11,914,123	2,935,475	10,969,787	25,819,385
Disbursements:				
General government	6,092,659	-	5,087,894	11,180,553
Public safety	3,749,388	-	1,142,357	4,891,745
Highways and streets	-	2,936,446	491,648	3,428,094
Health and welfare	123,594	-	2,175,351	2,298,945
Culture and recreation	223,202	-	589,924	813,126
Debt service:				
Principal	104,142	-	537	104,679
Capital outlay:				
General government	114,154	-	63,328	177,482
Public safety	170,649	-	76,159	246,808
Highways and streets	-	193,199	233,820	427,019
Health and welfare	-	-	712	712
Culture and recreation	17,800	-	68,413	86,213
Total disbursements	10,595,588	3,129,645	9,930,143	23,655,376
Excess (deficiency) of receipts over disbursements	1,318,535	(194,170)	1,039,644	2,164,009
Other financing sources (uses):				
Transfers in	-	-	376,749	376,749
Transfers out	(200,000)	-	(176,749)	(376,749)
Total other financing sources (uses)	(200,000)	-	200,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,118,535	(194,170)	1,239,644	2,164,009
Cash and investment fund balance - beginning	7,320,076	1,987,360	8,712,818	18,020,254
Cash and investment fund balance - ending	<u>\$ 8,438,611</u>	<u>\$ 1,793,190</u>	<u>\$ 9,952,462</u>	<u>\$ 20,184,263</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	\$ 8,438,611	\$ -	\$ -	\$ 8,438,611
Restricted assets:				
Cash and investments	-	1,793,190	9,952,462	11,745,652
Total cash and investment assets - ending	<u>\$ 8,438,611</u>	<u>\$ 1,793,190</u>	<u>\$ 9,952,462</u>	<u>\$ 20,184,263</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Restricted for:				
General government	\$ -	\$ -	\$ 4,942,263	\$ 4,942,263
Public safety	-	-	2,323,554	2,323,554
Highways and streets	-	1,793,190	140,594	1,933,784
Health and welfare	-	-	406,067	406,067
Culture and recreation	-	-	99,837	99,837
Capital outlay	-	-	2,040,147	2,040,147
Unrestricted	8,438,611	-	-	8,438,611
Total cash and investment fund balance - ending	<u>\$ 8,438,611</u>	<u>\$ 1,793,190</u>	<u>\$ 9,952,462</u>	<u>\$ 20,184,263</u>

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

DAVIESS COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 142,751	\$ -	
Plan members	29,756	-	
Total contributions	172,507	-	
Investment earnings:			
Interest	13,675	8,468	
Dividends	45,031	-	
Total investment earnings	58,706	8,468	
Less investment disbursements	(92,096)	-	
Net investment earnings	(33,390)	8,468	
Agency fund additions	-	-	
Total additions	139,117	8,468	
Deductions:			
Benefits	68,464	-	
Administrative and general	20,303	-	
Agency fund deductions	-	-	
Total deductions	88,767	-	
Excess (deficiency) of total additions over total deductions	50,350	8,468	
Cash and investment fund balance - beginning	1,943,830	185,816	
Cash and investment fund balance - ending	\$ 1,994,180	\$ 194,284	\$ 2,676,482

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

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS

I. 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 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 County's financial reporting entity is composed of the following:

Primary Government: Daviess County

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

The Daviess Community Hospital, a discretely presented component unit, has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all the County's component units necessary to fairly present the financial position of the County.

Joint Venture

The Park Nonreverting Operating, Boggs Park, Park Donation, Park Board, and Boggs Shoreline Stabilization Grant Funds are used for the revenues and expenditures for the Daviess-Martin Joint Park, which is a recreational facility at West Boggs Park. Under provision of the joint park resolution enacted March 8, 1996, the "Moneys appropriated by the participating political subdivisions shall be deposited in a Joint Park and Recreation Fund in the custody of the fiscal officer of each of the respective political subdivisions..." Daviess County operates as the fiscal officer for the park. Separate financial statements are issued by the Daviess/Martin Joint Park Board.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Daviess County Visitor's Bureau, Daviess County Advisory Plan Commission, Alcoholic Beverage Commission, Ambulance Advisory Commission, Aviation Board, Board of Health, Community Corrections Advisory Board, Daviess County Economic Development Commission, Daviess Community Hospital, Daviess County Park Board, Daviess County Redevelopment Commission, Longevity Plan Commission, Property Tax Assessment Board of Appeals, Solid Waste Board, Southeast Fire District, and Veale Fire District.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The county highway fund receives funds from state motor vehicle highway distributions and general property taxes. This fund is used primarily for the construction and maintenance of county highways.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the sheriff's pension trust and the sheriff's benefit pension fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the citizens.

Agency funds account for assets held by the County as an agent for the County or recipients of payroll withholdings and serve as control accounts for certain cash transactions during the time they are a liability to the County.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise or internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008
Adult Protective Services	\$ 4,660
Airport Improvement Grant 2004	480
Public Health Preparedness	4,745
HEA-1001-St HSC	569

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County does not have a deposit policy for custodial credit risk.

Bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2008, the County and the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. agencies	\$ 140,602
Corporate bonds and notes	120,984
Mutual funds	1,459,644
Total	\$ 1,721,230

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments.

The following investments held by the County and the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Not in the Government's Name
Money market obligations	\$ 272,950
U.S. agencies	140,602
Mutual funds	1,459,644
Corporate bonds and notes	120,984
Total	\$ 1,994,180

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years. The County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. agencies	\$ 40,181	\$ -	\$ 100,421
Mutual funds	1,459,644	-	-
Corporate bonds and notes	40,227	80,757	-
Totals	<u>\$ 1,540,052</u>	<u>\$ 80,757</u>	<u>\$ 100,421</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The County does not have a formal investment policy for credit risk for investments.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	Mutual Funds	Corporate Bonds	Government Sponsored Enterprise
Unrated	Unrated	<u>\$ 1,459,644</u>	<u>\$ 120,984</u>	<u>\$ 140,602</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>
General Fund	Other governmental funds	\$ 200,000
Other governmental funds	Other governmental funds	<u>176,749</u>
Total		<u>\$ 376,749</u>

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements

For the year ended December 31, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent a fund reported in a prior report that was not County money.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2007</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2008</u>
Governmental activities	\$ 18,030,203	\$ (9,949)	\$ 18,020,254
Aggregate remaining funds (other governmental funds)	8,722,767	(9,949)	8,712,818

IV. Other Information

A. Risk Management

The County is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Related Party Transactions

During the period in which financial statements are presented, the County had material transactions with First Federal Savings and Loan Association. Anthony Wichman, County Commissioner, is Vice President of the First Federal Savings and Loan Association. As of the balance sheet date, the amount of outstanding certificates of deposit purchased through the association was \$2,075,044.

C. Holding Corporation

The County has entered into a capital lease with Daviess County Building 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 totaled \$908,000.

D. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for Indigent Program, Medical Assistance to Wards, and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

E. Pension Plans

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the County and the Utilities is not available.

2. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which 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. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

3. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which 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. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 345,030	\$ 124,646	\$ 10,145
Interest on net pension obligation	(10,713)	1,826	-
Adjustment to annual required contribution	12,208	(2,820)	-
Annual pension cost	346,525	123,652	10,145
Contributions made	352,552	142,370	10,145
Decrease in net pension obligation	(6,027)	(18,718)	-
Net pension obligation, beginning of year	(147,762)	26,081	-
Net pension obligation, end of year	<u>\$ (153,789)</u>	<u>\$ 7,363</u>	<u>\$ -</u>

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Contribution rates:			
County	6%	19%	2%
Plan members	3%	4%	0%
Actuarial valuation date	07-01-08	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period(from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 295,099	100%	\$ (196,399)
	06-30-07	360,666	87%	(147,762)
	06-30-08	346,525	102%	(153,789)
County Police Retirement Plan	12-31-06	117,995	109%	11,206
	12-31-07	135,284	89%	26,081
	12-31-08	123,652	114%	11,206
County Police Benefit Plan	12-31-06	9,608	100%	-
	12-31-07	10,038	100%	-
	12-31-08	10,145	100%	-

DAVIESS COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 4,196,760	\$ 5,417,450	\$ (1,220,690)	77%	\$ 4,560,474	(27%)
07-01-07	4,638,078	5,565,273	(927,195)	83%	4,535,074	(20%)
07-01-08	4,913,400	5,833,982	(920,582)	84%	4,654,731	(20%)

County Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,151,954	\$ 1,151,954	\$ -	100%	\$ 483,758	0%
01-01-05	1,242,374	1,242,374	-	100%	488,666	0%
01-01-06	1,405,911	1,405,911	-	100%	576,912	0%
01-01-07	1,615,831	1,615,831	-	100%	656,926	0%
01-01-08	1,809,928	2,191,996	(382,068)	83%	643,022	(59%)
01-01-09	1,869,580	2,384,781	(515,201)	78%	666,237	(77%)

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Local Road And Street	Aviation	Accident Report	Firearms Training	Park Nonreverting Operating	Health	Clerk's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ 112,319	\$ -	\$ -	\$ -	\$ 137,533	\$ -
Licenses and permits	-	-	-	-	-	48,186	-
Intergovernmental	-	10,963	-	-	-	13,425	-
Charges for services	-	-	1,514	11,693	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	45,369	136,740	-	-	9,303	15,013	5,763
Total receipts	45,369	260,022	1,514	11,693	9,303	214,157	5,763
Disbursements:							
General government	-	177,969	-	-	-	-	12,563
Public safety	-	-	860	600	-	-	-
Highways and streets	157,747	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	198,001	-
Culture and recreation	-	-	-	-	16,004	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	9,876	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	712	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	157,747	187,845	860	600	16,004	198,713	12,563
Excess (deficiency) of receipts over disbursements	(112,378)	72,177	654	11,093	(6,701)	15,444	(6,800)
Other financing sources (uses):							
Transfers in	200,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources	200,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	87,622	72,177	654	11,093	(6,701)	15,444	(6,800)
Cash and investment fund balance - beginning	52,972	280,665	8,089	13,859	8,527	145,971	19,871
Cash and investment fund balance - ending	\$ 140,594	\$ 352,842	\$ 8,743	\$ 24,952	\$ 1,826	\$ 161,415	\$ 13,071
Cash and Investment Assets - Ending							
Restricted assets:							
Cash and investments	\$ 140,594	\$ 352,842	\$ 8,743	\$ 24,952	\$ 1,826	\$ 161,415	\$ 13,071
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ 352,842	\$ -	\$ -	\$ -	\$ -	\$ 13,071
Public safety	-	-	8,743	24,952	-	-	-
Highways and streets	140,594	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	161,415	-
Culture and recreation	-	-	-	-	1,826	-	-
Capital outlay	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 140,594	\$ 352,842	\$ 8,743	\$ 24,952	\$ 1,826	\$ 161,415	\$ 13,071

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Emergency Telephone System	Drug Free Community	Drainage Maintenance	Emergency Planning / Right To Know	Boggs	Property Reassessment
Receipts:						
Taxes	\$ -	\$ -	\$ 75,940	\$ -	\$ -	\$ 178,793
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	17,452
Charges for services	-	-	-	-	677,700	-
Fines and forfeits	-	25,841	-	-	-	-
Other	251,671	-	-	5,693	-	54,961
Total receipts	251,671	25,841	75,940	5,693	677,700	251,206
Disbursements:						
General government	-	-	122,608	-	-	275,281
Public safety	190,686	16,163	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	572,420	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	30,739
Public safety	8,297	-	-	555	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	68,413	-
Total disbursements	198,983	16,163	122,608	555	640,833	306,020
Excess (deficiency) of receipts over disbursements	52,688	9,678	(46,668)	5,138	36,867	(54,814)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	52,688	9,678	(46,668)	5,138	36,867	(54,814)
Cash and investment fund balance - beginning	180,867	26,069	206,976	2,672	53,318	1,967,477
Cash and investment fund balance - ending	<u>\$ 233,555</u>	<u>\$ 35,747</u>	<u>\$ 160,308</u>	<u>\$ 7,810</u>	<u>\$ 90,185</u>	<u>\$ 1,912,663</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 233,555</u>	<u>\$ 35,747</u>	<u>\$ 160,308</u>	<u>\$ 7,810</u>	<u>\$ 90,185</u>	<u>\$ 1,912,663</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ 160,308	\$ -	\$ -	\$ 1,912,663
Public safety	233,555	35,747	-	7,810	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	90,185	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 233,555</u>	<u>\$ 35,747</u>	<u>\$ 160,308</u>	<u>\$ 7,810</u>	<u>\$ 90,185</u>	<u>\$ 1,912,663</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Extradition	Juvenile Probation Service	Adult Probation Services	Recorder's Records Perpetuation	User Fees	Family And Children
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,094,536
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	741,549
Charges for services	-	12,530	90,262	65,238	-	-
Fines and forfeits	-	-	-	-	68,805	-
Other	-	-	-	4,501	-	10
Total receipts	-	12,530	90,262	69,739	68,805	1,836,095
Disbursements:						
General government	-	-	-	15,101	3,536	-
Public safety	-	23	76,656	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,815,857
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	5,102	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	23	81,758	15,101	3,536	1,815,857
Excess (deficiency) of receipts over disbursements	-	12,507	8,504	54,638	65,269	20,238
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(63,640)	-
Total other financing sources	-	-	-	-	(63,640)	-
Excess (deficiency) of receipts and other financing sources over disbursements	-	12,507	8,504	54,638	1,629	20,238
Cash and investment fund balance - beginning	94	83,876	171,791	254,683	75,717	44,460
Cash and investment fund balance - ending	<u>\$ 94</u>	<u>\$ 96,383</u>	<u>\$ 180,295</u>	<u>\$ 309,321</u>	<u>\$ 77,346</u>	<u>\$ 64,698</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 94</u>	<u>\$ 96,383</u>	<u>\$ 180,295</u>	<u>\$ 309,321</u>	<u>\$ 77,346</u>	<u>\$ 64,698</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 309,321	\$ 77,346	\$ -
Public safety	94	96,383	180,295	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	64,698
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 94</u>	<u>\$ 96,383</u>	<u>\$ 180,295</u>	<u>\$ 309,321</u>	<u>\$ 77,346</u>	<u>\$ 64,698</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Health Maintenance	Health Care For The Indigent	Pretrial Diversion	Guardian Ad Litem/Court	Surveyor's Corner Perpetuation	Park Donation
Receipts:						
Taxes	\$ -	\$ 46,991	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	10,477	3,987	-	-	-	-
Charges for services	-	-	-	-	5,675	-
Fines and forfeits	-	-	-	-	-	-
Other	24,944	-	-	-	-	3
Total receipts	35,421	50,978	-	-	5,675	3
Disbursements:						
General government	-	-	-	-	4,500	-
Public safety	-	-	46,238	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	37,022	50,977	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	537	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	37,022	50,977	46,775	-	4,500	-
Excess (deficiency) of receipts over disbursements	(1,601)	1	(46,775)	-	1,175	3
Other financing sources (uses):						
Transfers in	-	-	62,734	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	62,734	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	(1,601)	1	15,959	-	1,175	3
Cash and investment fund balance - beginning	51,313	-	129,979	11,257	4,689	3,181
Cash and investment fund balance - ending	<u>\$ 49,712</u>	<u>\$ 1</u>	<u>\$ 145,938</u>	<u>\$ 11,257</u>	<u>\$ 5,864</u>	<u>\$ 3,184</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 49,712</u>	<u>\$ 1</u>	<u>\$ 145,938</u>	<u>\$ 11,257</u>	<u>\$ 5,864</u>	<u>\$ 3,184</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 11,257	\$ 5,864	\$ -
Public safety	-	-	145,938	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	49,712	1	-	-	-	-
Culture and recreation	-	-	-	-	-	3,184
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 49,712</u>	<u>\$ 1</u>	<u>\$ 145,938</u>	<u>\$ 11,257</u>	<u>\$ 5,864</u>	<u>\$ 3,184</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Rainy Day	Sales Disclosure	County Corrections	Community Corrections	Adult Protective Services	Coroners Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	20,238	-	105,410	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	791,999	3,250	-	177,644	-	3,442
Total receipts	791,999	3,250	20,238	177,644	105,410	3,442
Disbursements:						
General government	540,718	-	-	-	-	-
Public safety	-	-	18,186	267,713	104,991	3,063
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	23,695	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	540,718	-	18,186	291,408	104,991	3,063
Excess (deficiency) of receipts over disbursements	251,281	3,250	2,052	(113,764)	419	379
Other financing sources (uses):						
Transfers in	-	-	-	113,109	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	113,109	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	251,281	3,250	2,052	(655)	419	379
Cash and investment fund balance - beginning	855,382	22,376	24,112	15,225	(5,079)	-
Cash and investment fund balance - ending	<u>\$ 1,106,663</u>	<u>\$ 25,626</u>	<u>\$ 26,164</u>	<u>\$ 14,570</u>	<u>\$ (4,660)</u>	<u>\$ 379</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 1,106,663</u>	<u>\$ 25,626</u>	<u>\$ 26,164</u>	<u>\$ 14,570</u>	<u>\$ (4,660)</u>	<u>\$ 379</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ 1,106,663	\$ 25,626	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	26,164	14,570	(4,660)	379
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 1,106,663</u>	<u>\$ 25,626</u>	<u>\$ 26,164</u>	<u>\$ 14,570</u>	<u>\$ (4,660)</u>	<u>\$ 379</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Identification Security Protection	Children's Psychiatric Residential Treatment Service	Public Defender	Wireless Emergency Telephone System	Park Board	Community Corrections Home Detention
Receipts:						
Taxes	\$ -	\$ 53,867	\$ -	\$ -	\$ 1,146	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,258	-	-	113	-
Charges for services	-	-	-	-	-	171,482
Fines and forfeits	-	-	50,335	-	-	-
Other	11,190	-	-	112,398	-	-
Total receipts	11,190	59,125	50,335	112,398	1,259	171,482
Disbursements:						
General government	-	-	-	-	-	86,135
Public safety	5,978	-	23,633	5,000	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	73,494	-	-	-	-
Culture and recreation	-	-	-	-	1,500	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	5,978	73,494	23,633	5,000	1,500	86,135
Excess (deficiency) of receipts over disbursements	5,212	(14,369)	26,702	107,398	(241)	85,347
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(62,178)
Total other financing sources	-	-	-	-	-	(62,178)
Excess (deficiency) of receipts and other financing sources over disbursements	5,212	(14,369)	26,702	107,398	(241)	23,169
Cash and investment fund balance - beginning	21,800	148,623	110,113	451,638	3,641	302,773
Cash and investment fund balance - ending	<u>\$ 27,012</u>	<u>\$ 134,254</u>	<u>\$ 136,815</u>	<u>\$ 559,036</u>	<u>\$ 3,400</u>	<u>\$ 325,942</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 27,012</u>	<u>\$ 134,254</u>	<u>\$ 136,815</u>	<u>\$ 559,036</u>	<u>\$ 3,400</u>	<u>\$ 325,942</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ 559,036	\$ -	\$ -
Public safety	27,012	-	136,815	-	-	325,942
Highways and streets	-	-	-	-	-	-
Health and welfare	-	134,254	-	-	-	-
Culture and recreation	-	-	-	-	3,400	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 27,012</u>	<u>\$ 134,254</u>	<u>\$ 136,815</u>	<u>\$ 559,036</u>	<u>\$ 3,400</u>	<u>\$ 325,942</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Pandemic / Influenza	Community Corrections Transition Program	Airport Improvement Grant 2004	Boggs Shoreline Stabilization Grant	County Sheriff Donation	Airport Improvement Grant 2002
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,410	159,800	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	2,105	-
Total receipts	-	4,410	159,800	-	2,105	-
Disbursements:						
General government	500	4,276	163,619	-	3,341	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	500	4,276	163,619	-	3,341	-
Excess (deficiency) of receipts over disbursements	(500)	134	(3,819)	-	(1,236)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	(500)	134	(3,819)	-	(1,236)	-
Cash and investment fund balance - beginning	500	710	3,339	1,242	3,803	7,083
Cash and investment fund balance - ending	\$ -	\$ 844	\$ (480)	\$ 1,242	\$ 2,567	\$ 7,083
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ -	\$ 844	\$ (480)	\$ 1,242	\$ 2,567	\$ 7,083
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ (480)	\$ -	\$ -	\$ 7,083
Public safety	-	844	-	-	2,567	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	1,242	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 844	\$ (480)	\$ 1,242	\$ 2,567	\$ 7,083

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Public Health <u>Preparedness</u>	Boater Safety <u>Education</u>	Sheriff Federal <u>Enforcement</u>	Sheriff State <u>Drug Buy Fund</u>	<u>Bio-Terrorism</u>	State Homeland Security One Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	38,225	32,508	-	-	-	17,901
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	88,102	5,000	-	-
Total receipts	<u>38,225</u>	<u>32,508</u>	<u>88,102</u>	<u>5,000</u>	<u>-</u>	<u>17,901</u>
Disbursements:						
General government	36,152	20,368	61,436	-	3,768	17,901
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	<u>36,152</u>	<u>20,368</u>	<u>61,436</u>	<u>-</u>	<u>3,768</u>	<u>17,901</u>
Excess (deficiency) of receipts over disbursements	<u>2,073</u>	<u>12,140</u>	<u>26,666</u>	<u>5,000</u>	<u>(3,768)</u>	<u>-</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements	2,073	12,140	26,666	5,000	(3,768)	-
Cash and investment fund balance - beginning	<u>(6,818)</u>	<u>3,575</u>	<u>66,984</u>	<u>17,863</u>	<u>9,266</u>	<u>11,250</u>
Cash and investment fund balance - ending	<u>\$ (4,745)</u>	<u>\$ 15,715</u>	<u>\$ 93,650</u>	<u>\$ 22,863</u>	<u>\$ 5,498</u>	<u>\$ 11,250</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ (4,745)</u>	<u>\$ 15,715</u>	<u>\$ 93,650</u>	<u>\$ 22,863</u>	<u>\$ 5,498</u>	<u>\$ 11,250</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 5,498	\$ 11,250
Public safety	-	15,715	93,650	22,863	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	(4,745)	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ (4,745)</u>	<u>\$ 15,715</u>	<u>\$ 93,650</u>	<u>\$ 22,863</u>	<u>\$ 5,498</u>	<u>\$ 11,250</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Clerks Title III	Convention And Visitors Bureau	County Law Enforcement Continued Education	Community Corrections Project Income	Tobacco Master Settlement	CDBG Maintenance Facility Building
Receipts:						
Taxes	\$ -	\$ 164,920	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	20,096	489,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	68,037	-	-
Total receipts	-	164,920	-	68,037	20,096	489,000
Disbursements:						
General government	-	164,683	906	378	22,860	489,000
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	8,636	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	164,683	906	378	31,496	489,000
Excess (deficiency) of receipts over disbursements	-	237	(906)	67,659	(11,400)	-
Other financing sources (uses):						
Transfers in	-	-	906	-	-	-
Transfers out	-	-	-	(50,931)	-	-
Total other financing sources	-	-	906	(50,931)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	-	237	-	16,728	(11,400)	-
Cash and investment fund balance - beginning	795	-	-	82,169	28,832	-
Cash and investment fund balance - ending	<u>\$ 795</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 98,897</u>	<u>\$ 17,432</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 795</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 98,897</u>	<u>\$ 17,432</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ 795	\$ 237	\$ -	\$ -	\$ 17,432	\$ -
Public safety	-	-	-	98,897	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 795</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 98,897</u>	<u>\$ 17,432</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Prosecutor IV-D PCA Fee	Public Health Emergency Response	C.O.P.S. More	I-69 Planning Grant	County Jail Revenue	Daviess CEDIT Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,837,835
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,058	41,554	31,032	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	819	-	-	-	1,157,394	-
Total receipts	819	1,058	41,554	31,032	1,157,394	1,837,835
Disbursements:						
General government	491	-	41,554	31,032	908,000	1,793,686
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	326	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	491	326	41,554	31,032	908,000	1,793,686
Excess (deficiency) of receipts over disbursements	328	732	-	-	249,394	44,149
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	328	732	-	-	249,394	44,149
Cash and investment fund balance - beginning	-	-	-	-	560,914	321,974
Cash and investment fund balance - ending	\$ 328	\$ 732	\$ -	\$ -	\$ 810,308	\$ 366,123
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 328	\$ 732	\$ -	\$ -	\$ 810,308	\$ 366,123
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ 328	\$ -	\$ -	\$ -	\$ -	\$ 366,123
Public safety	-	-	-	-	810,308	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	732	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 328	\$ 732	\$ -	\$ -	\$ 810,308	\$ 366,123

DAVIESS COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Cumulative Capital Development	Cumulative Bridge	Cumulative Jail	Sheriff's Commissary	Cumulative Courthouse	Totals
Receipts:						
Taxes	\$ 303,719	\$ 620,046	\$ -	\$ -	\$ -	\$ 4,627,645
Licenses and permits	-	-	-	-	-	48,186
Intergovernmental	29,646	60,523	-	-	-	1,854,625
Charges for services	-	-	-	247,030	-	1,283,124
Fines and forfeits	-	-	-	-	-	144,981
Other	-	35,875	-	-	-	3,011,226
Total receipts	<u>333,365</u>	<u>716,444</u>	<u>-</u>	<u>247,030</u>	<u>-</u>	<u>10,969,787</u>
Disbursements:						
General government	85,000	-	-	-	532	5,087,894
Public safety	-	-	127,569	254,998	-	1,142,357
Highways and streets	-	333,901	-	-	-	491,648
Health and welfare	-	-	-	-	-	2,175,351
Culture and recreation	-	-	-	-	-	589,924
Debt service:						
Principal	-	-	-	-	-	537
Capital outlay:						
General government	-	-	-	-	13,751	63,328
Public safety	-	-	38,510	-	-	76,159
Highways and streets	-	233,820	-	-	-	233,820
Health and welfare	-	-	-	-	-	712
Culture and recreation	-	-	-	-	-	68,413
Total disbursements	<u>85,000</u>	<u>567,721</u>	<u>166,079</u>	<u>254,998</u>	<u>14,283</u>	<u>9,930,143</u>
Excess (deficiency) of receipts over disbursements	<u>248,365</u>	<u>148,723</u>	<u>(166,079)</u>	<u>(7,968)</u>	<u>(14,283)</u>	<u>1,039,644</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	376,749
Transfers out	-	-	-	-	-	(176,749)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements	<u>248,365</u>	<u>148,723</u>	<u>(166,079)</u>	<u>(7,968)</u>	<u>(14,283)</u>	<u>1,239,644</u>
Cash and investment fund balance - beginning	<u>463,347</u>	<u>1,048,656</u>	<u>257,765</u>	<u>26,939</u>	<u>53,653</u>	<u>8,712,818</u>
Cash and investment fund balance - ending	<u>\$ 711,712</u>	<u>\$ 1,197,379</u>	<u>\$ 91,686</u>	<u>\$ 18,971</u>	<u>\$ 39,370</u>	<u>\$ 9,952,462</u>
<u>Cash and Investment Assets - Ending</u>						
Restricted assets:						
Cash and investments	<u>\$ 711,712</u>	<u>\$ 1,197,379</u>	<u>\$ 91,686</u>	<u>\$ 18,971</u>	<u>\$ 39,370</u>	<u>\$ 9,952,462</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,942,263
Public safety	-	-	-	18,971	-	2,323,554
Highways and streets	-	-	-	-	-	140,594
Health and welfare	-	-	-	-	-	406,067
Culture and recreation	-	-	-	-	-	99,837
Capital outlay	<u>711,712</u>	<u>1,197,379</u>	<u>91,686</u>	<u>-</u>	<u>39,370</u>	<u>2,040,147</u>
Total cash and investment fund balance - ending	<u>\$ 711,712</u>	<u>\$ 1,197,379</u>	<u>\$ 91,686</u>	<u>\$ 18,971</u>	<u>\$ 39,370</u>	<u>\$ 9,952,462</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2008

	<u>Congressional School Principal</u>	<u>Landfill Closure/ Post Closure</u>	<u>Totals</u>
Additions:			
Investment earnings:			
Interest	\$ -	\$ 8,468	\$ 8,468
Cash and investment fund balance - beginning	<u>19,656</u>	<u>166,160</u>	<u>185,816</u>
Cash and investment fund balance - ending	<u>\$ 19,656</u>	<u>\$ 174,628</u>	<u>\$ 194,284</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	City & Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fair Board
Additions:						
Agency fund additions	\$ 7,527	\$ 4,359	\$ 57,920	\$ 28,476	\$ 50,455	\$ 9,926
Deductions:						
Agency fund deductions	7,527	786	123,611	27,706	50,774	9,926
Excess (deficiency) of total additions over total deductions	-	3,573	(65,691)	770	(319)	-
Cash and investment fund balance - beginning	-	62,047	148,396	23	737	-
Cash and investment fund balance - ending	\$ -	\$ 65,620	\$ 82,705	\$ 793	\$ 418	\$ -

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	State Fines And Forfeitures	State Forestry Tax	Sewage Collections	Overweight Vehicle Fines	Infraction Judgements	Inheritance Tax
Additions:						
Agency fund additions	\$ 2,021	\$ 19,851	\$ 1,346	\$ 11	\$ 13,118	\$ 706,491
Deductions:						
Agency fund deductions	2,021	19,851	1,346	11	13,118	357,911
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	348,580
Cash and investment fund balance - beginning	-	-	-	-	-	25,703
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 374,283</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Property Replacement And Homestead Credit	Payroll	Special Death Benefit	Education Plate Fees	Financial Institution Tax	Wheel Tax
Additions:						
Agency fund additions	\$ 45,022	\$ 4,040,576	\$ 2,575	\$ 1,013	\$ 176,394	\$ 71,352
Deductions:						
Agency fund deductions	45,022	4,122,351	2,575	1,013	176,394	71,352
Excess (deficiency) of total additions over total deductions	-	(81,775)	-	-	-	-
Cash and investment fund balance - beginning	-	275,808	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ 194,033	\$ -	\$ -	\$ -	\$ -

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Sur Tax	Interstate Compact	Certified Shares	Children With Specific Health Needs	Medical Assistance To Wards	Welfare Trust Clearance
Additions:						
Agency fund additions	\$ 272,334	\$ 488	\$ 3,934,523	\$ 50,977	\$ 44,761	\$ 1,300
Deductions:						
Agency fund deductions	272,334	488	3,934,523	50,977	44,761	-
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	1,300
Cash and investment fund balance - beginning	-	-	-	-	-	3,970
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,270</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Homestead Credit Rebate	CEDIT	Tax Distribution	Commercial Vehicle Excise Tax	Local Option Replacement Credit	State Welfare Excise Tax Allocation
Additions:						
Agency fund additions	\$ 2,251	\$ 1,068,467	\$ 24,209,681	\$ 497,028	\$ 1,246,068	\$ 25,235
Deductions:						
Agency fund deductions	960,437	1,025,536	24,184,781	497,028	1,246,068	25,235
Excess (deficiency) of total additions over total deductions	(958,186)	42,931	24,900	-	-	-
Cash and investment fund balance - beginning	958,186	18,305	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 61,236</u>	<u>\$ 24,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	GPC TIF	Recorder Mortgage Fees	CEDIT Distribution (Certified Shares)	HEA-1001-St HSC	State Assessment Training	GPC Redevelop Allocation
Additions:						
Agency fund additions	\$ 916,311	\$ 3,295	\$ 1,508,361	\$ 2,089,164	\$ 3,260	\$ 110,310
Deductions:						
Agency fund deductions	916,311	3,295	1,508,361	2,089,733	3,230	7,000
Excess (deficiency) of total additions over total deductions	-	-	-	(569)	30	103,310
Cash and investment fund balance - beginning	-	-	-	-	135	135,206
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (569)</u>	<u>\$ 165</u>	<u>\$ 238,516</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	<u>Prosecutor's Trust</u>	<u>County Sheriff</u>	<u>Clerk of the Circuit Court</u>	<u>Sheriff's Inmate Trust</u>	<u>County Recorder</u>	<u>County Treasurer</u>
Additions:						
Agency fund additions	\$ 125,333	\$ 757,209	\$ 2,262,295	\$ 282,421	\$ 192,670	\$ 40,910,970
Deductions:						
Agency fund deductions	<u>139,169</u>	<u>757,209</u>	<u>2,263,170</u>	<u>279,454</u>	<u>188,890</u>	<u>40,784,866</u>
Excess (deficiency) of total additions over total deductions	(13,836)	-	(875)	2,967	3,780	126,104
Cash and investment fund balance - beginning	<u>35,538</u>	<u>-</u>	<u>802,482</u>	<u>9,007</u>	<u>11,577</u>	<u>608,301</u>
Cash and investment fund balance - ending	<u>\$ 21,702</u>	<u>\$ -</u>	<u>\$ 801,607</u>	<u>\$ 11,974</u>	<u>\$ 15,357</u>	<u>\$ 734,405</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	<u>County Probation</u>	<u>County Airport</u>	<u>County Community Corrections</u>	<u>County Health</u>	<u>Riverboat Revenue Sharing</u>
Additions:					
Agency fund additions	\$ 105,647	\$ 138,428	\$ 340,198	\$ 54,420	\$ 187,063
Deductions:					
Agency fund deductions	<u>129,647</u>	<u>138,807</u>	<u>340,414</u>	<u>54,320</u>	<u>187,063</u>
Excess (deficiency) of total additions over total deductions	(24,000)	(379)	(216)	100	-
Cash and investment fund balance - beginning	<u>33,367</u>	<u>6,506</u>	<u>28,054</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 9,367</u>	<u>\$ 6,127</u>	<u>\$ 27,838</u>	<u>\$ 100</u>	<u>\$ -</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Conservancy District	Prairie Creek Exceptional Benefits	City User Fees Deferral	Westgate Redevelop Allocation	Totals
Additions:					
Agency fund additions	\$ 176,500	\$ 2,924	\$ 4,180	\$ 635	\$ 86,763,140
Deductions:					
Agency fund deductions	176,500	2,924	4,180	-	87,250,006
Excess (deficiency) of total additions over total deductions	-	-	-	635	(486,866)
Cash and investment fund balance - beginning	-	-	-	-	3,163,348
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 635</u>	<u>\$ 2,676,482</u>

Auditor of Daviess County

Gail L. Doades

Daviess County Courthouse

200 E. Walnut St.
Washington, IN 47501

812-254-8662

812-254-8697 Fax

DAVIESS COUNTY SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 189,686
Buildings	16,131,577
Improvements other than buildings	1,462,790
Machinery and equipment	<u>6,468,797</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 24,252,850</u>

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Washington, IN 47501

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DAVIESS COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

The County has entered into the following debt:

<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental Activities:		
Capital leases:		
2005 Emergency Telephone System	\$ 587,344	\$ 106,296
New Jail	11,470,000	911,000
2007 Graders	265,135	33,671
Bonds payable:		
Revenue bonds:		
2005 Issue	165,000	168,795
2006 EDIT Bonds Series "A"	1,545,000	155,875
2006 EDIT Bonds Series "B"	3,580,000	363,500
Total governmental activities debt	\$ 17,612,479	\$ 1,739,137

DAVIESS COUNTY
OTHER REPORT

The annual report presented herein was prepared in addition to an official report prepared for the individual County office listed below:

County Highway

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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 WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

Compliance

We have audited the compliance of the Daviess County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 16, 2009

DAVISS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii ADA Renovation - Senior Citizens Center	14.228	CF-06-118	\$ 481,000
Total for federal grantor agency			<u>481,000</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection Reimbursements	20.205	07-10019	<u>8,219</u>
Direct Grant Airport Improvement Program	20.106		
		3-18-0086-07	11,211
		3-18-0086-08	9,982
		3-18-0086-09	29,141
		3-18-0086-10	<u>110,273</u>
Total for program			<u>160,607</u>
Total for federal grantor agency			<u>168,826</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Public Health Emergency Preparedness Public Health Emergency Response Public Health Preparedness	93.069		326
			<u>36,152</u>
Total for program			<u>36,478</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance Bioterrorism Preparedness and Response	93.283		3,768
			<u>3,768</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement County Prosecutor County Clerk Collection Incentives	93.563		183,782
			58,861
			<u>541</u>
Total for program			<u>243,184</u>
Total for federal grantor agency			<u>283,430</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster State Domestic Preparedness Equipment Support Program	97.004		<u>17,901</u>
Pass-Through Indiana Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters) FY 08 - 2005 Flood Damage FY 08 - 2008 Flood Disaster	97.036		9,814
			<u>130,815</u>
Total for program			<u>140,629</u>
Total for federal grantor agency			<u>158,530</u>
Total federal awards expended			<u>\$ 1,091,786</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

DAVIESS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Daviess County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2008:

Program Title	Federal CFDA Number	2008
Community Development Block Grant/ States and Non-Entitlement Grants in Hawaii	14.228	\$ <u>442,520</u>

DAVISS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Auditor of Daviess County

Gail L. Doades

Daviess County Courthouse

200 E. Walnut St.

Washington, IN 47501

812-254-8662

812-254-8697 Fax

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2007-1

Original SBA Audit Report Number	B32531
Fiscal Year	1-1-07 to 12-31-07
Auditee Contact Person	Gail Doades
Title of Contact Person	Daviess County Auditor
Phone Number	812-254-8662
Status of Finding	Corrected as of 4-08

DAVISS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2009, with Jack Graber, President of the County Council; Larry G. Wilson, County Commissioner; and Gail Doades, Auditor. Our audit disclosed no material items that warrant comment at this time.