

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

ANNUAL FINANCIAL REPORT

2009

DAVISS COUNTY, INDIANA



FILED

07/12/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	9
Notes to Financial Statements	10-20
Required Supplementary Information:	
Schedules of Funding Progress	21
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	22-32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	33
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	34-40
Schedule of Capital Assets.....	41
Schedule of Long-Term Debt	42
Supplemental Audit of Federal Awards:	
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.....	44-45
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards.....	47
Schedule of Findings and Questioned Costs	48
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	49
Exit Conference.....	50

SCHEDULE OF OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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, 2009, 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, 2009, 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 April 6, 2010, 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.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual examination performed by State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements.

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

April 6, 2010



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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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 6, 2010. 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.

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.

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)

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, the Board of County Commissioners 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

April 6, 2010

DAVIESS COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

<u>Functions/Programs</u>	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government:					
Governmental activities:					
General government	\$ 10,298,886	\$ 180,741	\$ -	\$ -	\$ (10,118,145)
Public safety	5,394,025	1,022,048	-	-	(4,371,977)
Highways and streets	3,529,846	-	1,956,628	5,833	(1,567,385)
Sanitation	-	380	-	-	380
Health and welfare	563,471	61,956	33,139	-	(468,376)
Culture and recreation	755,768	674,128	-	-	(81,640)
Total governmental activities	20,541,996	1,939,253	1,989,767	5,833	(16,607,143)
General receipts:					
Property taxes					8,727,882
Intergovernmental					1,137,037
Other local sources					9,247,918
Grants and contributions not restricted to specific programs					638,001
Investment earnings					457,525
Total general receipts and transfers					20,208,363
Change in net assets					3,601,220
Net assets - beginning					20,184,262
Net assets - ending					\$ 23,785,482
<u>Assets</u>					
Cash and investments					\$ 12,795,455
Restricted assets:					
Cash and investments					10,990,027
Total assets					\$ 23,785,482
<u>Net Assets</u>					
Restricted for:					
General government					\$ 4,135,596
Public safety					2,173,211
Highways and streets					2,450,432
Health and welfare					261,933
Culture and recreation					42,929
Capital outlay					1,925,926
Unrestricted					12,795,455
Total net assets					\$ 23,785,482

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, 2009

	General	Highway	Rainy Day	County Jail Revenue	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 9,706,112	\$ 121,501	\$ -	\$ -	\$ 2,670,231	\$ 12,497,844
Licenses and permits	-	-	-	-	33,833	33,833
Intergovernmental	830,928	2,161,704	-	-	787,806	3,780,438
Charges for services	423,403	-	-	-	1,227,485	1,650,888
Fines and forfeits	102,201	-	-	-	152,328	254,529
Other	785,974	313,031	263,221	2,428,814	866,430	4,657,470
Total receipts	11,848,618	2,596,236	263,221	2,428,814	5,738,113	22,875,002
Disbursements:						
General government	6,593,105	-	-	911,950	2,369,617	9,874,672
Public safety	3,956,865	-	-	-	1,198,335	5,155,200
Highways and streets	-	2,105,669	-	-	896,042	3,001,711
Health and welfare	13,308	-	100,000	-	446,859	560,167
Culture and recreation	-	-	-	-	645,899	645,899
Capital outlay:						
General government	278,763	-	-	-	145,451	424,214
Public safety	183,965	-	-	-	54,860	238,825
Highways and streets	-	124,600	-	-	403,535	528,135
Health and welfare	-	-	-	-	3,303	3,303
Culture and recreation	-	-	-	-	109,869	109,869
Total disbursements	11,026,006	2,230,269	100,000	911,950	6,273,770	20,541,995
Excess (deficiency) of receipts over disbursements	822,612	365,967	163,221	1,516,864	(535,657)	2,333,007
Other financing sources:						
Transfers in	-	-	-	-	522,856	522,856
Transfers out	(470,220)	-	-	-	(52,636)	(522,856)
Other receipts	407,396	290,145	-	-	570,672	1,268,213
Total other financing sources (uses)	(62,824)	290,145	-	-	1,040,892	1,268,213
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	759,788	656,112	163,221	1,516,864	505,235	3,601,220
Cash and investment fund balance - beginning	8,438,611	1,793,190	1,106,663	810,308	8,035,490	20,184,262
Cash and investment fund balance - ending	<u>\$ 9,198,399</u>	<u>\$ 2,449,302</u>	<u>\$ 1,269,884</u>	<u>\$ 2,327,172</u>	<u>\$ 8,540,725</u>	<u>\$ 23,785,482</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,198,399	\$ -	\$ 1,269,884	\$ 2,327,172	\$ -	\$ 12,795,455
Restricted assets:						
Cash and investments	-	2,449,302	-	-	8,540,725	10,990,027
Total cash and investment assets - ending	<u>\$ 9,198,399</u>	<u>\$ 2,449,302</u>	<u>\$ 1,269,884</u>	<u>\$ 2,327,172</u>	<u>\$ 8,540,725</u>	<u>\$ 23,785,482</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 4,135,596	\$ 4,135,596
Public safety	-	-	-	-	2,173,211	2,173,211
Highways and streets	-	2,449,302	-	-	1,130	2,450,432
Health and welfare	-	-	-	-	261,933	261,933
Culture and recreation	-	-	-	-	42,929	42,929
Capital outlay	-	-	-	-	1,925,926	1,925,926
Unrestricted	9,198,399	-	1,269,884	2,327,172	-	12,795,455
Total cash and investment fund balance - ending	<u>\$ 9,198,399</u>	<u>\$ 2,449,302</u>	<u>\$ 1,269,884</u>	<u>\$ 2,327,172</u>	<u>\$ 8,540,725</u>	<u>\$ 23,785,482</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, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 152,196	\$ -	
Plan members	34,725	-	
Total contributions	186,921	-	
Investment earnings:			
Interest	9,900	5,097	
Dividends	52,974	-	
Total investment earnings	62,874	5,097	
Less investment disbursements	(93,103)	(199,381)	
Net investment earnings	(30,229)	(194,284)	
Total additions	156,692	(194,284)	
Deductions:			
Benefits	66,300	-	
Administrative and general	23,912	-	
Total deductions	90,212	-	
Excess (deficiency) of total additions over total deductions	66,480	(194,284)	
Cash and investment fund balance - beginning	1,994,180	194,284	
Cash and investment fund balance - ending	\$ 2,060,660	\$ -	\$ 2,556,054

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

DAVISS 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 component unit, has been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Joint Venture

The County is a participant in a joint venture to operate Daviess-Martin Joint Park which was created to operate a park and recreational facility. Under the provisions of a joint park resolution enacted March 8, 1996, "the Daviess-Martin Joint Park Board shall determine its total budget request, which total budget shall be presented to the County Council in each of the respective counties, provided however, that each county shall bear but fifty percent (50%) of the total budget. . . . That monies appropriated by the participating political subdivisions shall be deposited in a Joint Park and Recreation Board fund in the custody of the fiscal officer of each of the respective participating subdivision . . ." Daviess County operates as the fiscal officer for the park. The Daviess-Martin Joint Park's continued existence depends on continued funding by the County. Complete financial statements for the Daviess-Martin Joint Park can be obtained from Daviess-Martin County Joint Park, RR#3 Box 552, Loogootee, IN 47553.

The County is a participant in a joint venture to operate West Gate @ Crane which was created to promote economic development in Greene, Martin and Daviess Counties. The West Gate @ Crane's continued existence depends on continued funding by the County. Complete financial statements for the West Gate @ Crane can be obtained from West Gate @ Crane Authority Board, P.O. Box 442, Loogootee, IN 47553.

Related Organizations

The County's officials are also responsible for appointing the voting majority 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 voting majority of the Local Emergency Planning Commission, Zoning Appeals Board, County Civil Defense Advisory Council, Veale Fire District, Southeast Fire District, Daviess Community Hospital Board, Washington City Planning Commission, Aviation Board, Ambulance Advisory Board, Alcoholic Beverage Commission, Board of Health, Community Corrections Advisory Board, Comprehensive Community

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Mental Health, Daviess County Historical Society, Daviess County Redevelopment, Daviess County Visitor's Bureau, Longevity Pay Plan committee, Property Tax Assessment Board of Appeals, Southern Indiana Development Commission, Odon Winklepeck Library Board and the Washington-Carnegie Public Library Board.

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.

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, proprietary 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.

The rainy day fund accounts for monies not used or encumbered in a year that can be used at a later budget date.

The county jail revenue fund receives funds from CAGIT. This fund is used to retire the debt related to the jail building.

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 accumulates 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 recipient of payroll withholdings and serve as control accounts for certain cash transactions during the time they are a liability to the County.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

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 funds.

When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may 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.

4. Capital Assets

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

5. Long-Term Debt

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

6. 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.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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 and Disbursements

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, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund 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 in the fund financial statements have been eliminated or reclassified.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, if any, is 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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. Prior to November 1, 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.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. IC 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 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. At December 31, 2009, the County had deposit balances in the amount of \$28,402,196.

The 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, 2009, 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. treasuries and securities	\$ 40,262
U.S. agencies	60,159
Mutual funds	1,727,103
Corporate bonds and notes	80,757
Total	\$ 1,908,281

Statutory Authorization for Investments

IC 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

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 have a stated final maturity of one day.

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.

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. treasuries and securities	\$ -	\$ -	\$ 40,262
U.S. agencies	-	60,159	-
Mutual funds	1,727,103	-	-
Corporate bonds and notes	80,757	-	-
Totals	<u>\$ 1,807,860</u>	<u>\$ 60,159</u>	<u>\$ 40,262</u>

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and Notes	Government Sponsored Enterprise
Unrated	Unrated	\$ 1,727,103	\$ 80,757	\$ 100,421

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.

The County and the Sheriff's Retirement and Benefit Pension Plan held the following investments that were exposed to concentration of credit risk:

Sheriff's Retirement and Benefit Pension Plans:

Issuer	2009
Mutual funds	\$ 1,727,103
Corporate bonds and notes	80,757
Total	\$ 1,807,860

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.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
General Fund	Other governmental funds	\$ 470,220
Other governmental funds	Other governmental funds	52,636
Total		<u>\$ 522,856</u>

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

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; and natural disasters are covered by commercial insurance from independent third parties.

The County has chosen to establish a risk financing fund for risks associated with Worker's Compensation. The risk financing fund is accounted for in the General Fund, where assets are set aside for claim settlements. Amounts are budgeted based on previous year premiums.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Related Party Transactions

During the period for which financial statements are presented, the County had material transactions with First Federal Savings and Loan Association. Certificates of deposits were purchased in the amount of \$10,562,218. Anthony Wichman, County Commissioner, is Vice President of First Federal Savings and Loan Association.

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 2009 totaled \$909,500.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Subsequent Events

On February 9, 2010, the Daviess County Building Corporation issued \$9,320,000 of First Mortgage Refunding Bonds, Series 2010 for the current refunding of \$11,065,000 of outstanding First Mortgage Bonds, Series 2002.

E. Conduit Debt Obligation

The County has issued conduit debt (no commitment debt) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2009, the outstanding aggregate principal amount payable was \$4,500,000.

F. Pension Plans

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

a. 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the County during the period were \$380,459.

b. 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

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The contributions made by the County during the period were \$142,370.

c. 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

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The contributions made by the County during the period were \$10,145.

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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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 Sheriff Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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	2,191,966	(382,038)	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, 2009

	Local Road and Street	Aviation	Accident Report	Firearms Training	Park Nonreverting Operating	Health	Clerk's Records Perpetuation
Receipts:							
Taxes	\$ -	\$ 192,105	\$ -	\$ -	\$ -	\$ 183,193	\$ -
Licenses and permits	-	-	-	-	-	33,833	-
Intergovernmental	-	18,907	-	-	-	18,032	-
Charges for services	-	-	1,551	15,844	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	233,961	121,972	-	-	23,645	14,338	6,005
Total receipts	233,961	332,984	1,551	15,844	23,645	249,396	6,005
Disbursements:							
General government	-	173,978	-	-	-	-	11,096
Public safety	-	-	735	1,583	-	-	-
Highways and streets	373,425	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	198,855	-
Culture and recreation	-	-	-	-	25,076	-	-
Capital outlay:							
General government	-	17,644	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	3,303	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	373,425	191,622	735	1,583	25,076	202,158	11,096
Excess (deficiency) of receipts over disbursements	(139,464)	141,362	816	14,261	(1,431)	47,238	(5,091)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(139,464)	141,362	816	14,261	(1,431)	47,238	(5,091)
Cash and investment fund balance - beginning	140,594	352,842	8,743	24,952	1,826	161,415	13,071
Cash and investment fund balance - ending	\$ 1,130	\$ 494,204	\$ 9,559	\$ 39,213	\$ 395	\$ 208,653	\$ 7,980
Cash and Investment Assets - Ending							
Restricted assets:							
Cash and investments	\$ 1,130	\$ 494,204	\$ 9,559	\$ 39,213	\$ 395	\$ 208,653	\$ 7,980
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ 494,204	\$ -	\$ -	\$ -	\$ -	\$ 7,980
Public safety	-	-	9,559	39,213	-	-	-
Highways and streets	1,130	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	208,653	-
Culture and recreation	-	-	-	-	395	-	-
Capital outlay	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 1,130	\$ 494,204	\$ 9,559	\$ 39,213	\$ 395	\$ 208,653	\$ 7,980

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, 2009
 (Continued)

	Emergency Telephone System	Drug Free Community	Drainage Maintenance	Emergency Planning Right to Know	Boggs	Property Reassessment	Extradition
Receipts:							
Taxes	\$ -	\$ -	\$ 106,582	\$ -	-	\$ 181,212	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	17,836	-
Charges for services	-	-	-	-	674,127	-	-
Fines and forfeits	-	22,714	-	-	-	-	-
Other	228,862	-	-	-	-	16,254	-
Total receipts	228,862	22,714	106,582	-	674,127	215,302	-
Disbursements:							
General government	-	-	82,538	-	-	188,429	-
Public safety	190,671	34,104	-	32	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	619,122	-	-
Capital outlay:							
General government	-	-	-	-	-	117,350	-
Public safety	10,778	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	109,869	-	-
Total disbursements	201,449	34,104	82,538	32	728,991	305,779	-
Excess (deficiency) of receipts over disbursements	27,413	(11,390)	24,044	(32)	(54,864)	(90,477)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,413	(11,390)	24,044	(32)	(54,864)	(90,477)	-
Cash and investment fund balance - beginning	233,555	35,747	160,308	7,810	90,185	1,912,663	94
Cash and investment fund balance - ending	\$ 260,968	\$ 24,357	\$ 184,352	\$ 7,778	\$ 35,321	\$ 1,822,186	\$ 94
Cash and Investment Assets - Ending							
Restricted assets:							
Cash and investments	\$ 260,968	\$ 24,357	\$ 184,352	\$ 7,778	\$ 35,321	\$ 1,822,186	\$ 94
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ 184,352	\$ -	\$ -	\$ 1,822,186	\$ -
Public safety	260,968	24,357	-	7,778	-	-	94
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	35,321	-	-
Capital outlay	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 260,968	\$ 24,357	\$ 184,352	\$ 7,778	\$ 35,321	\$ 1,822,186	\$ 94

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, 2009
 (Continued)

	Juvenile Probation Service	Adult Probation Service	Recorder's Records Perpetuation	User Fees	Family and Children	Health Maintenance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,591	38,972
Charges for services	11,669	81,823	68,730	-	-	-
Fines and forfeits	-	-	-	63,867	-	-
Other	-	-	2,814	-	-	2,240
Total receipts	11,669	81,823	71,544	63,867	1,591	41,212
Disbursements:						
General government	-	-	33,708	4,077	-	-
Public safety	2,550	21,170	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	76,041	37,709
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	2,372	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	2,550	23,542	33,708	4,077	76,041	37,709
Excess (deficiency) of receipts over disbursements	9,119	58,281	37,836	59,790	(74,450)	3,503
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(52,636)	-	-
Other receipts	-	-	-	-	9,752	-
Total other financing sources (uses)	-	-	-	(52,636)	9,752	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,119	58,281	37,836	7,154	(64,698)	3,503
Cash and investment fund balance - beginning	96,383	180,295	309,321	77,346	64,698	49,712
Cash and investment fund balance - ending	\$ 105,502	\$ 238,576	\$ 347,157	\$ 84,500	\$ -	\$ 53,215
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 105,502	\$ 238,576	\$ 347,157	\$ 84,500	\$ -	\$ 53,215
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ 347,157	\$ 84,500	\$ -	\$ -
Public safety	105,502	238,576	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	53,215
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 105,502	\$ 238,576	\$ 347,157	\$ 84,500	\$ -	\$ 53,215

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, 2009
 (Continued)

	Pretrial Diversion	Guardian Ad Litem Court	Surveyor's Corner Perpetuation	Park Donation	Sales Disclosure	County Corrections
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	20,197	-	-	-	20,238
Charges for services	-	-	5,410	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	2,318	-	-	-	2,725	-
Total receipts	2,318	20,197	5,410	-	2,725	20,238
Disbursements:						
General government	-	9,531	6,300	-	-	-
Public safety	56,294	-	-	-	-	14,216
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	200	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	14,723	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	71,017	9,531	6,300	200	-	14,216
Excess (deficiency) of receipts over disbursements	(68,699)	10,666	(890)	(200)	2,725	6,022
Other financing sources (uses):						
Transfers in	51,759	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	51,759	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,940)	10,666	(890)	(200)	2,725	6,022
Cash and investment fund balance - beginning	145,938	11,257	5,864	3,184	25,626	26,164
Cash and investment fund balance - ending	\$ 128,998	\$ 21,923	\$ 4,974	\$ 2,984	\$ 28,351	\$ 32,186
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 128,998	\$ 21,923	\$ 4,974	\$ 2,984	\$ 28,351	\$ 32,186
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 21,923	\$ 4,974	\$ -	\$ 28,351	\$ -
Public safety	128,998	-	-	-	-	32,186
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	2,984	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 128,998	\$ 21,923	\$ 4,974	\$ 2,984	\$ 28,351	\$ 32,186

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, 2009
 (Continued)

	Community Corrections	Levy Excess	Adult Protective Services	Coroner's Education	Identification Security Protection	Children's Psychiatric Residential Treatment Service
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	38,245	-	-	11,724	-
Total receipts	-	38,245	-	-	11,724	-
Disbursements:						
General government	-	8,732	-	-	-	-
Public safety	327,257	-	96,600	3,368	826	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	134,254
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	3,717	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	330,974	8,732	96,600	3,368	826	134,254
Excess (deficiency) of receipts over disbursements	(330,974)	29,513	(96,600)	(3,368)	10,898	(134,254)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	328,416	-	105,849	2,989	-	-
Total other financing sources (uses)	328,416	-	105,849	2,989	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,558)	29,513	9,249	(379)	10,898	(134,254)
Cash and investment fund balance - beginning	14,570	-	(4,660)	379	27,012	134,254
Cash and investment fund balance - ending	\$ 12,012	\$ 29,513	\$ 4,589	\$ -	\$ 37,910	\$ -
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 12,012	\$ 29,513	\$ 4,589	\$ -	\$ 37,910	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 29,513	\$ -	\$ -	\$ -	\$ -
Public safety	12,012	-	4,589	-	37,910	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 12,012	\$ 29,513	\$ 4,589	\$ -	\$ 37,910	\$ -

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, 2009
 (Continued)

	Public Defender	Wireless Emergency Telephone System	Park Board	Community Corrections Home Detention	Community Corrections Transition Program	Airport Improvement Grant 2004
Receipts:						
Taxes	\$ -	\$ -	\$ 990	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	98	-	8,265	47,586
Charges for services	-	-	-	170,416	-	-
Fines and forfeits	65,747	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	65,747	-	1,088	170,416	8,265	47,586
Disbursements:						
General government	-	-	-	182,033	2,403	23,080
Public safety	160,091	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	1,501	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	160,091	-	1,501	182,033	2,403	23,080
Excess (deficiency) of receipts over disbursements	(94,344)	-	(413)	(11,617)	5,862	24,506
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	114,506	-	-	-	-
Total other financing sources (uses)	-	114,506	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(94,344)	114,506	(413)	(11,617)	5,862	24,506
Cash and investment fund balance - beginning	136,815	559,036	3,400	325,942	844	(480)
Cash and investment fund balance - ending	\$ 42,471	\$ 673,542	\$ 2,987	\$ 314,325	\$ 6,706	\$ 24,026
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 42,471	\$ 673,542	\$ 2,987	\$ 314,325	\$ 6,706	\$ 24,026
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,026
Public safety	42,471	673,542	-	314,325	6,706	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	2,987	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 42,471	\$ 673,542	\$ 2,987	\$ 314,325	\$ 6,706	\$ 24,026

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, 2009
 (Continued)

	Boggs Shoreline Stabilization Grant	County Sheriff Donation	Airport Improvement Grant 2002	Public Health Preparedness	Boater Safety Education	Sheriff Federal Enforcement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	4,745	30,000	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	9,672
Total receipts	-	-	-	4,745	30,000	9,672
Disbursements:						
General government	-	4,849	-	-	34,609	44,993
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	4,849	-	-	34,609	44,993
Excess (deficiency) of receipts over disbursements	-	(4,849)	-	4,745	(4,609)	(35,321)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	9,160	-	-	-	-
Total other financing sources (uses)	-	9,160	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,311	-	4,745	(4,609)	(35,321)
Cash and investment fund balance - beginning	1,242	2,567	7,083	(4,745)	15,715	93,650
Cash and investment fund balance - ending	<u>\$ 1,242</u>	<u>\$ 6,878</u>	<u>\$ 7,083</u>	<u>\$ -</u>	<u>\$ 11,106</u>	<u>\$ 58,329</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 1,242</u>	<u>\$ 6,878</u>	<u>\$ 7,083</u>	<u>\$ -</u>	<u>\$ 11,106</u>	<u>\$ 58,329</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ 7,083	\$ -	\$ -	\$ -
Public safety	-	6,878	-	-	11,106	58,329
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	1,242	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 1,242</u>	<u>\$ 6,878</u>	<u>\$ 7,083</u>	<u>\$ -</u>	<u>\$ 11,106</u>	<u>\$ 58,329</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, 2009
 (Continued)

	Sheriff State Drug Buy Fund	Bio-Terrorism	State Homeland Security One Grant	Clerk's Title III	Convention and Visitors Bureau	County Law Enforcement Continued Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 171,972	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	601	216,921	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	18,399	-	-	-	-	-
Total receipts	18,399	601	216,921	-	171,972	-
Disbursements:						
General government	-	4,827	216,921	-	172,209	877
Public safety	23,402	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	23,402	4,827	216,921	-	172,209	877
Excess (deficiency) of receipts over disbursements	(5,003)	(4,226)	-	-	(237)	(877)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	877
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	877
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,003)	(4,226)	-	-	(237)	-
Cash and investment fund balance - beginning	22,863	5,498	11,250	795	237	-
Cash and investment fund balance - ending	<u>\$ 17,860</u>	<u>\$ 1,272</u>	<u>\$ 11,250</u>	<u>\$ 795</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 17,860</u>	<u>\$ 1,272</u>	<u>\$ 11,250</u>	<u>\$ 795</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 1,272	\$ 11,250	\$ 795	\$ -	\$ -
Public safety	17,860	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 17,860</u>	<u>\$ 1,272</u>	<u>\$ 11,250</u>	<u>\$ 795</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	Community Corrections Project Income	Tobacco Master Settlement	Prosecutor IV-D PCA Fee	Public Health Emergency Response	C.O.P.S. more	I-69 Planning Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	20,072	-	19,315	74,344	68,968
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	67,196	-	2,757	-	-	-
Total receipts	67,196	20,072	2,757	19,315	74,344	68,968
Disbursements:						
General government	45,707	18,428	1,299	16,766	74,344	68,968
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	719	-	2,923	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	45,707	19,147	1,299	19,689	74,344	68,968
Excess (deficiency) of receipts over disbursements	21,489	925	1,458	(374)	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,489	925	1,458	(374)	-	-
Cash and investment fund balance - beginning	98,897	17,432	328	732	-	-
Cash and investment fund balance - ending	<u>\$ 120,386</u>	<u>\$ 18,357</u>	<u>\$ 1,786</u>	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ 120,386</u>	<u>\$ 18,357</u>	<u>\$ 1,786</u>	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ 18,357	\$ 1,786	\$ -	\$ -	\$ -
Public safety	120,386	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	358	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 120,386</u>	<u>\$ 18,357</u>	<u>\$ 1,786</u>	<u>\$ 358</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	County Museum Grant	Odon Deferral	Disaster Recovery Reimbursement	H1N1 Response	Riverboat Share	Davieess CEDIT Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,036,050
Licenses and permits	-	-	-	-	-	-
Intergovernmental	44,444	-	7,479	30,640	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	1,210	-	-	-	-
Total receipts	44,444	1,210	7,479	30,640	-	1,036,050
Disbursements:						
General government	44,444	1,210	7,479	25,200	-	826,506
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	5,733	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	44,444	1,210	7,479	30,933	-	826,506
Excess (deficiency) of receipts over disbursements	-	-	-	(293)	-	209,544
Other financing sources (uses):						
Transfers in	-	-	-	-	470,220	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	470,220	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(293)	470,220	209,544
Cash and investment fund balance - beginning	-	-	-	-	-	366,123
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ 470,220</u>	<u>\$ 575,667</u>
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ 470,220</u>	<u>\$ 575,667</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 470,220	\$ 575,667
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	(293)	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (293)</u>	<u>\$ 470,220</u>	<u>\$ 575,667</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, 2009
 (Continued)

	Cumulative Capital Development	Cumulative Bridge	Cumulative Jail	Cumulative Courthouse	Sheriff's Commissary	Totals
Receipts:						
Taxes	\$ 262,412	\$ 535,715	\$ -	\$ -	\$ -	\$ 2,670,231
Licenses and permits	-	-	-	-	-	33,833
Intergovernmental	25,828	52,727	-	-	-	787,806
Charges for services	-	-	-	-	197,915	1,227,485
Fines and forfeits	-	-	-	-	-	152,328
Other	-	62,093	-	-	-	866,430
Total receipts	288,240	650,535	-	-	197,915	5,738,113
Disbursements:						
General government	32,313	-	-	1,763	-	2,369,617
Public safety	-	-	68,416	-	197,020	1,198,335
Highways and streets	-	522,617	-	-	-	896,042
Health and welfare	-	-	-	-	-	446,859
Culture and recreation	-	-	-	-	-	645,899
Capital outlay:						
General government	-	-	-	1,082	-	145,451
Public safety	-	-	23,270	-	-	54,860
Highways and streets	-	403,535	-	-	-	403,535
Health and welfare	-	-	-	-	-	3,303
Culture and recreation	-	-	-	-	-	109,869
Total disbursements	32,313	926,152	91,686	2,845	197,020	6,273,770
Excess (deficiency) of receipts over disbursements	255,927	(275,617)	(91,686)	(2,845)	895	(535,657)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	522,856
Transfers out	-	-	-	-	-	(52,636)
Other receipts	-	-	-	-	-	570,672
Total other financing sources (uses)	-	-	-	-	-	1,040,892
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	255,927	(275,617)	(91,686)	(2,845)	895	505,235
Cash and investment fund balance - beginning	711,712	1,197,379	91,686	39,370	18,971	8,035,490
Cash and investment fund balance - ending	\$ 967,639	\$ 921,762	\$ -	\$ 36,525	\$ 19,866	\$ 8,540,725
Cash and Investment Assets - Ending						
Restricted assets:						
Cash and investments	\$ 967,639	\$ 921,762	\$ -	\$ 36,525	\$ 19,866	\$ 8,540,725
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,135,596
Public safety	-	-	-	-	19,866	2,173,211
Highways and streets	-	-	-	-	-	1,130
Health and welfare	-	-	-	-	-	261,933
Culture and recreation	-	-	-	-	-	42,929
Capital outlay	967,639	921,762	-	36,525	-	1,925,926
Total cash and investment fund balance - ending	\$ 967,639	\$ 921,762	\$ -	\$ 36,525	\$ 19,866	\$ 8,540,725

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2009

	<u>Congressional School Principal</u>	<u>Landfill Closure/ Post Closure</u>	<u>Totals</u>
Additions: Investment earnings: Interest	\$ -	\$ 5,097	\$ 5,097
Total investment earnings	-	5,097	5,097
Less investment disbursements	<u>(19,656)</u>	<u>(179,725)</u>	<u>(199,381)</u>
Total additions	<u>(19,656)</u>	<u>(174,628)</u>	<u>(194,284)</u>
Cash and investment fund balance - beginning	<u>19,656</u>	<u>174,628</u>	<u>194,284</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, 2009

	City & Town Court Costs	Congressional School Interest	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines and Forfeitures	Sewage Collections
Additions: Agency fund additions	\$ 7,069	\$ 3,823	\$ 44,525	\$ 60,305	\$ 36,581	\$ 7,756	\$ 8,654
Deductions: Agency fund deductions	7,069	69,443	58,157	60,295	36,933	7,756	8,654
Excess (deficiency) of total additions over total deductions	-	(65,620)	(13,632)	10	(352)	-	-
Cash and investment fund balance - beginning	-	65,620	82,705	793	418	-	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ 69,073	\$ 803	\$ 66	\$ -	\$ -

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Overweight Vehicle Fines	Infraction Judgments	Inheritance Tax	Property Replacement and Homestead Credit	Payroll	Special Death Benefits	Education Plate Fee
Additions: Agency fund additions	\$ 102	\$ 17,378	\$ 1,069,363	\$ 79,482	\$ 4,310,951	\$ 2,505	\$ 506
Deductions: Agency fund deductions	102	17,378	1,389,572	79,482	4,167,346	2,505	506
Excess (deficiency) of total additions over total deductions	-	-	(320,209)	-	143,605	-	-
Cash and investment fund balance - beginning	-	-	374,283	-	194,033	-	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ 54,074	\$ -	\$ 337,638	\$ -	\$ -

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Financial Institution Tax	Wheel Tax	Surtax	Interstate Compact Fee	Certified Shares	Welfare Trust Clearance	State Share Delinquent Tax & Penalties
Additions: Agency fund additions	\$ 131,377	\$ 150,216	\$ 253,626	\$ 638	\$ 3,627,965	\$ -	\$ 4,182
Deductions: Agency fund deductions	131,377	150,216	253,626	563	3,627,965	5,270	3,777
Excess (deficiency) of total additions over total deductions	-	-	-	75	-	(5,270)	405
Cash and investment fund balance - beginning	-	-	-	-	-	5,270	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ 405

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Tax Distribution	Commercial Vehicle Excise Tax	Local Option Replacement Credit	State Welfare Excise Tax Allocation	GPC TIF	Recorder Mortgage Fees	CEDIT Distribution (Certified Shares)
Additions: Agency fund additions	\$ 15,740,259	\$ 319,591	\$ 1,209,323	\$ 717,546	\$ 1,082,098	\$ 3,333	\$ 1,501,616
Deductions: Agency fund deductions	15,765,159	319,591	1,209,323	717,546	1,082,098	3,333	1,501,616
Excess (deficiency) of total additions over total deductions	(24,900)	-	-	-	-	-	-
Cash and investment fund balance - beginning	24,900	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	HEA-1001-ST Homestead Credit	GPC Redevelopment Allocation	Westgate Redevelopment Allocation	Prosecutor's Trust	County Sheriff	Clerk of the Circuit Court	Sheriff's Inmate Trust
Additions: Agency fund additions	\$ 440,365	\$ 103,663	\$ 69,382	\$ 113,996	\$ 509,360	\$ 2,164,091	\$ 225,959
Deductions: Agency fund deductions	439,894	145,915	2,000	114,325	509,360	2,086,854	226,071
Excess (deficiency) of total additions over total deductions	471	(42,252)	67,382	(329)	-	77,237	(112)
Cash and investment fund balance - beginning	(569)	238,516	635	21,702	-	801,607	11,974
Cash and investment fund balance - ending	<u>\$ (98)</u>	<u>\$ 196,264</u>	<u>\$ 68,017</u>	<u>\$ 21,373</u>	<u>\$ -</u>	<u>\$ 878,844</u>	<u>\$ 11,862</u>

DAVIESS COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	County Recorder	County Treasurer	County Probation	County Airport	County Community Corrections	County Health	Riverboat Revenue Sharing
Additions: Agency fund additions	\$ 178,729	\$ 29,978,642	\$ 96,703	\$ 121,646	\$ 333,867	\$ 52,585	\$ 186,615
Deductions: Agency fund deductions	178,070	29,887,910	98,422	119,523	335,060	42,672	186,615
Excess (deficiency) of total additions over total deductions	659	90,732	(1,719)	2,123	(1,193)	9,913	-
Cash and investment fund balance - beginning	15,357	734,405	9,367	6,127	27,838	100	-
Cash and investment fund balance - ending	<u>\$ 16,016</u>	<u>\$ 825,137</u>	<u>\$ 7,648</u>	<u>\$ 8,250</u>	<u>\$ 26,645</u>	<u>\$ 10,013</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, 2009
 (Continued)

	Conservancy District	Praire Creek Exceptional Benefits	City User Fees Deferral	CEDIT	State Assessment Training	Welfare Levy Excess	Totals
Additions: Agency fund additions	\$ 281,922	\$ 2,613	\$ 3,690	\$ 1,209,885	\$ 2,725	\$ 317,706	\$ 66,784,914
Deductions: Agency fund deductions	281,922	2,613	3,520	1,247,482	2,750	317,706	66,905,342
Excess (deficiency) of total additions over total deductions	-	-	170	(37,597)	(25)	-	(120,428)
Cash and investment fund balance - beginning	-	-	-	61,236	165	-	2,676,482
Cash and investment fund balance - ending	\$ -	\$ -	\$ 170	\$ 23,639	\$ 140	\$ -	\$ 2,556,054

DAVIESS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 189,686
Buildings	16,409,739
Improvements other than buildings	1,327,485
Machinery and equipment	<u>6,466,753</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 24,393,663</u>

DAVISS COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Finance the construction of an addition to the existing jail facility and to acquire and renovate the existing jail	\$ 11,275,000	\$ 909,500
Emergency Telephone	508,790	85,746
2007 Road Grader	246,047	76,277
Bonds payable:		
Revenue bonds:		
2006 Series "A"	1,505,000	191,375
2006 Series "B"	3,485,000	462,625
1999 Economic Development	<u>9,297,640</u>	<u>-</u> *
Total governmental activities debt	<u>\$ 26,317,477</u>	<u>\$ 1,725,523</u>

* - Payments are based on revenue collected and can't be determined at this time.

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, 2009. 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, 2009.

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, the Board of County Commissioners, 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

April 6, 2010

DAVISS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Grant			
ARRA-Emergency Watershed Protection Program	10.923	65-52KY-9-0022	\$ 20,530
Total for federal grantor agency			<u>20,530</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Homeland Security			
Public Safety Interoperable Communications Grant Program	11.555	EDS# C44P-9-254A	<u>210,421</u>
Total for federal grantor agency			<u>210,421</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-through Indiana Office of Community and Rural Affairs			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228		
Disaster Recovery Fund		B10DC180001DR1A-09-022	7,479
Community Focus Fund Planning Grant		PL 05-051	<u>40,000</u>
Total for federal grantor agency			<u>47,479</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
ARRA-Public Safety Partnership and Community Policing Grants COPS MORE	16.710	2007CKWX0226	<u>69,579</u>
Total for federal grantor agency			<u>69,579</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
ARRA-Highway Planning and Construction Bridge Inspections	20.205	Project 0710019 DES 0710019	27,177
Direct Grant			
ARRA-Airport Improvement Program	20.106	Project # 3-18-0086-11	<u>36,798</u>
Total for federal grantor agency			<u>63,975</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health			
Public Health Emergency Preparedness	93.069		
Public Health Preparedness & Response for H1N1		1H75TP000339-01	30,933
Public Health Preparedness & Response for Bioterrorism		5U90TP517024-09	18,299
Public Health Preparedness & Response for Bioterrorism		5U90TP517024-10	<u>1,389</u>
Total for program			<u>50,621</u>
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		
Bioterrorism Preparedness and Response			<u>4,827</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
County Prosecutor			142,460
County Clerk			38,052
Collection Incentive			38,971
Prosecutor PCA Fees			<u>2,757</u>
Total for program			<u>222,240</u>
Total for federal grantor agency			<u>277,688</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Disaster #1795	<u>11,014</u>
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	EDS# C44P-0-92A	<u>6,500</u>
Total for federal grantor agency			<u>17,514</u>
Total federal awards expended			<u>\$ 707,186</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

DAVIESS COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

DAVIESS 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
11.555	Public Safety Interoperable Communications Grant Program
93.563	Child Support Enforcement

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.

DAVIESS COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

DAVISS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 6, 2010, with Gail Doades, Auditor; Anthony D. Wichman, President of the Board of County Commissioners and Dave Smith, President of the County Council. Our audit disclosed no material items that warrant comment at this time.