

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
DAVISS COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
06/14/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	6-7
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	10-11
Notes to Financial Statement	12-17
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	20-37
Schedule of Payables and Receivables	38
Schedule of Leases and Debt	39
Schedule of Capital Assets.....	40
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	42-43
Schedule of Expenditures of Federal Awards	46
Note to Schedule of Expenditures of Federal Awards.....	47
Schedule of Findings and Questioned Costs	48
Exit Conference.....	49

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Gail Doades	01-01-11 to 12-31-14
Treasurer	Martin L. Mumaw III (Vacant) Patty Raymann (Interim) Elaine Wellman	01-01-11 to 03-20-13 03-21-13 to 04-04-13 04-05-13 to 04-21-13 04-22-13 to 12-31-14
Clerk	Sherri Healy	01-01-09 to 12-31-16
Sheriff	Jerry Harbstreit	01-01-11 to 12-31-14
Recorder	Marcella Flint Jamie Chapman	01-01-09 to 12-31-12 01-01-13 to 12-31-16
President of the Board of County Commissioners	Anthony D. Wichman	01-01-12 to 12-31-13
President of the County Council	Michael Sprinkle Michael Myers	01-01-12 to 12-31-12 01-01-13 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of Daviess County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 7, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local*

INDEPENDENT AUDITOR'S REPORT
(Continued)

Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman
State Examiner

May 7, 2013



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

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Daviess County (County), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated May 7, 2013, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

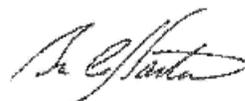
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

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

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*.

Purpose of this Report

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



Bruce Hartman
State Examiner

May 7, 2013

(This page intentionally left blank.)

FINANCIAL STATEMENT

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

DAVIESS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Sheriff's Inmate Trust	\$ 26,044	\$ 246,875	\$ 261,056	\$ 11,863
Jail Commissary	28,720	264,744	270,863	22,601
Clerk's Trust	2,465,232	5,699,394	5,614,013	2,550,614
Sheriff's Cashbook	-	789,256	789,256	-
General	10,894,554	12,148,647	14,194,418	8,848,783
Accident Report	11,690	1,713	850	12,553
Aviation	811,606	306,946	236,937	881,615
CAGIT - Special Legislation	1,068,627	1,467,913	908,950	1,627,590
CAGIT County Certified Shares	-	3,257,752	503,122	2,754,630
CEDIT County Share	333,889	1,204,652	973,726	564,815
City and Town Court Costs	544	6,933	-	7,477
Clerk's Records Perpetuation	3,660	8,457	7,700	4,417
Community Corrections	321,356	195,295	162,632	354,019
Community Transition Program	27,719	14,245	13,052	28,912
Convention Visitor and Tourism Promotion	-	202,376	202,376	-
Sales Disclosure - County Share	35,381	3,205	-	38,586
Cumulative Bridge	858,216	1,149,942	926,185	1,081,973
Cumulative Capital Development	1,490,954	287,442	61,596	1,716,800
Drug Free Community	17,743	25,953	17,498	26,198
Emergency Planning/Right To Know	5,051	4,710	5,551	4,210
Emergency Telephone System	215,959	101,807	317,766	-
Extradition	95	-	-	95
Firearms Training	28,224	7,020	31,020	4,224
Health	323,970	289,901	222,699	391,172
Identification Security Protection	55,014	2,788	39,171	18,631
Levy Excess	33,584	103,052	-	136,636
Local Road and Street	41,175	241,324	236,677	45,822
Misdemeanant	42,437	20,238	17,354	45,321
Motor Vehicle Highway	2,796,139	2,918,606	2,399,596	3,315,149
Rainy Day	1,479,269	-	-	1,479,269
Reassessment - 2009	1,576,386	2,746	296,520	1,282,612
Reassessment - 2015	215,966	223,817	-	439,783
Recorder's Records Perpetuation	464,413	53,008	115,758	401,663
Riverboat	579,234	101,240	387,581	292,893
Sheriff's Pension Trust	-	8,336	8,336	-
Supplemental Public Defender Services	34,862	88,069	33,122	89,809
Surplus Tax	60	49,347	49,395	12
Surveyor's Corner Perpetuation	3,393	6,134	2,400	7,127
Tax Sale Redemption	1,106	75,283	75,874	515
Tax Sale Surplus	43,213	-	2,667	40,546
Wireless Emergency Telephone System	492,228	128,894	621,122	-
GAL/CASA	6,865	70,028	55,347	21,546
Auditors Ineligible Deductions	-	33,211	10,401	22,810
County Elected Officials Training	947	2,788	200	3,535
County Offender Transportation Fund	188	438	-	626
Statewide 911	-	977,665	184,636	793,029
Juvenile Probation Administrative	120,676	10,461	4,376	126,761
Supplemental Adult Probation Services	358,373	74,462	38,399	394,436
Law Enf. Cont. Ed to Be Disburse	48,514	4,047	4,675	47,886
Drainage Maintenance	168,508	75,048	106,178	137,378
Drug Buy Money	21,417	2,800	2,888	21,329
TIF Debt Service	-	1,345,002	1,345,002	-
Payroll Clearing	217,686	4,987,240	5,187,538	17,388
Settlement	215	16,339,190	16,339,405	0
Wheel Tax	-	127,585	127,585	-
Sur Tax	-	507,325	507,325	-
CVET Agency	-	326,584	326,584	-
Sewage Collections	-	11,671	11,671	-
Financial Institution Tax	-	141,608	141,608	-
CEDIT Homestead Credit	23,414	1,474,033	1,064,829	432,618
HEA 1001 State Homestead Credit	371	-	-	371

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

DAVISS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
State Fines and Forfeitures	200	220	200	220
Infraction Judgements	1,424	16,742	17,233	933
Special Death Benefit	260	2,621	2,601	280
Sales Disclosure - State Share	295	3,205	3,175	325
Coroners Training & Con't Education	324	2,849	3,173	-
Interstate Compact - State Share	63	437	500	-
Mortgage Recording Fees - State Share	300	3,167	3,467	-
Inheritance Tax	77,472	1,109,320	887,182	299,610
Education Plate Fees Agency	-	450	450	-
Riverboat Revenue Sharing	-	187,480	187,480	-
CAGIT Distribution	-	5,871,657	5,871,657	-
CEDIT Distribution	-	1,474,547	1,474,547	-
93.563 Prosecutor PCA	-	4,284	2,037	2,247
93.563 ARRA Clerk IV-D Incentive	16,024	-	-	16,024
93.563 Title IV-D Incentive	23,934	33,935	4,532	53,337
93.563 Prosecutor IV-D Incentive-Post Oct '99	37,321	46,291	-	83,612
93.563 Clerk IV-D Incentive-Post Oct '99	28,930	15,894	9,830	34,994
Clerk's Title III	123	-	123	-
Public Health Emerg. Re	(2,216)	10,141	7,651	274
H1N1 Response	2,533	-	-	2,533
C.O.P.S. More	4,492	-	1,775	2,717
Homeland Security 1 Grant	11,250	46,888	47,888	10,250
Airport Improvement Grant	7,082	16,188	23,270	-
Airport Improvement	9,141	272,600	266,342	15,399
Emerg Management Peror	30,871	24,788	55,659	-
Sheriff Federal Enforce	31,046	14,208	41,504	3,750
Prosecutor Federal Enforcement	3,916	-	-	3,916
Community Corrections Grant	28,622	289,335	387,493	(69,536)
Local Health Maintenance Grant	45,925	46,576	39,264	53,237
L.H.D. Trust Account	35,278	20,153	20,120	35,311
Boater Safety Education	1,065	15,000	13,998	2,067
Shoreline Stabilization Grant	1,242	-	-	1,242
Adult Protective Services	(7,620)	100,748	101,772	(8,644)
Prosecutor IV-D PCA Fee	2,780	-	2,780	-
Daviess County Park Board	2,119	-	-	2,119
Sheriff Law Enforce.Cont.Ed.Pr	272	1,494	951	815
Community Corrections Proj. Inc.	164,960	85,678	40,397	210,241
West Boggs	36,667	999,867	990,418	46,116
West Boggs Donation Fund	3,539	-	350	3,189
Park Non-Revert. Capital	21,777	8,366	16,757	13,386
TIF Capital Projects-GPC Redev.	165,523	-	3,275	162,248
TIF Capital Projects-Westgate	43,882	81,933	24,910	100,905
Donations-Rescue Boat	1,377	4,000	-	5,377
Donations-New Jail	295	-	-	295
Donations-Training Dog	1,806	-	-	1,806
Donations-Computer Equipment	3,000	-	-	3,000
Donations-Car Seat Safety	703	-	-	703
Jury Fee	42,009	3,389	-	45,398
Pre-Trial Diversion Prog. Fee	112,367	65,456	60,722	117,101
City User Fees - Deferral	-	4,180	4,180	-
Odon Deferral	-	550	550	-
Elnora Users Fees - Deferral	-	9,460	9,460	-
TIF Capital Projects - Legends	-	52,687	-	52,687
Bennington Levee/North Breach	-	445,000	414,063	30,937
Bennington Levee/South Breach	-	50,000	6,212	43,788
Treasurer	496,667	327,901	496,667	327,901
Prosecuting Attorney Trust	17,993	86,237	98,138	6,092
Totals	\$ 29,301,920	\$ 70,075,168	\$ 67,110,238	\$ 32,266,850

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

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement presents the financial information for the County.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

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

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

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

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

E. Disbursements

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

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

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

DAVISS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

Note 7. Restatement of County Offices

Certain funds that were included on the prior year financial statement have been omitted from the current year financial statement to more accurately reflect the financial activity of the County. These funds account for receipts and disbursements of County offices that are also eventually accounted for in the County's general ledger and financial statements.

Note 8. Combined Funds

Funds related to tax settlement were reported individually in the prior financial statement but were combined into one fund for the current financial statement.

DAVIESS COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Event

Bennington Levee Lawsuit

A lawsuit was filed in the Daviess Circuit Court on February 16, 2012, involving the Bennington Levee, an 18 mile earthen levee located in Daviess County, which was damaged as a result of a levee breach and flooding which occurred in March 2011. Since June 24, 2011, Daviess County has paid repair bills and other bills for the Bennington Levee totaling \$1,103,083 for which the Bennington Levee Committee has failed to assess any of its landowners.

Count 1 of the complaint claims the levee was the result of the acts or negligence of Donald Villwock, Randall Bowman, Cindy L. Lamar, and Shephard Construction, LLC in excavating a mile-long ditch near the levee which destabilized the levee base. This case was venued and is now pending in the Dubois Circuit Court, Cause Number 19C01-1206-PL-00302.

Count 2 of the complaint named Bennington Levee Committee and asked the Court to issue a Declaratory Judgment and interpret the Indiana statute as to when the Bennington Committee was required to assess for and reimburse Daviess County for repair bills paid for the Bennington Levee.

The Board of Commissioners of Daviess County have reached a partial settlement with Defendants Villwock, Bowman, Lamar and Shepherd Construction in regard to the damages incurred for the north breach (\$445,000) and the Daviess County Commissioners are in the process of finalizing a second settlement with Defendants, Villwock, Bowman, Lamar and Shephard Construction as to the damages caused by the south breach (\$200,000).

On or about August 27, 2012, the Bennington Levee Committee filed a counterclaim against the Board of Commissioners of the County of Daviess alleging trespass and damage to the Bennington Levee as a result of the control breach that was done at the south end of the levee on March 13, 2011. This counterclaim is still pending in the Dubois Circuit Court although no trial date has been scheduled and no action has been taken by the Bennington Committee to prosecute this action.

The counterclaim filed by the Bennington Levee Committee specifies no specific damages. The south breach of the levee has been repaired; the total repair cost was approximately \$250,000, all of which has been paid by Daviess County. The County's Attorney does not believe the Bennington Levee Committee would be entitled to any damages in regard to the counterclaim against the Board of Commissioners of Daviess County even if the Bennington Levee Committee were able to prove a liability which the Board of Commissioners intends to vigorously dispute.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

DAVIESS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	Sheriffs Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	Aviation
Cash and investments - beginning	\$ 26,044	\$ 28,720	\$ 2,465,232	\$ -	\$ 10,894,554	\$ 11,690	\$ 811,606
Receipts:							
Taxes	-	-	-	-	9,067,381	-	97,325
Licenses and permits	-	-	-	-	300	-	-
Intergovernmental	-	-	-	-	1,456,495	-	9,575
Charges for services	-	-	-	-	1,393,635	1,713	198,819
Fines and forfeits	-	-	-	-	106,563	-	-
Other receipts	246,875	264,744	5,699,394	789,256	124,273	-	1,227
Total receipts	246,875	264,744	5,699,394	789,256	12,148,647	1,713	306,946
Disbursements:							
Personal services	-	-	-	-	8,485,269	-	47,571
Supplies	-	-	-	-	423,856	-	124,717
Other services and charges	-	-	-	-	2,471,270	850	46,425
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,219,886	-	7,571
Other disbursements	261,056	270,863	5,614,012	789,256	1,594,137	-	10,653
Total disbursements	261,056	270,863	5,614,012	789,256	14,194,418	850	236,937
Excess (deficiency) of receipts over disbursements	(14,181)	(6,119)	85,382	-	(2,045,771)	863	70,009
Cash and investments - ending	\$ 11,863	\$ 22,601	\$ 2,550,614	\$ -	\$ 8,848,783	\$ 12,553	\$ 881,615

DAVIESS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CAGIT - Special Legislation	CAGIT County Certified Shares	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Community Transition Program
Cash and investments - beginning	\$ 1,068,627	\$ -	\$ 333,889	\$ 544	\$ 3,660	\$ 321,356	\$ 27,719
Receipts:							
Taxes	1,467,913	2,917,942	1,064,652	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	140,000	-	-	195,295	14,245
Fines and forfeits	-	-	-	6,933	8,457	-	-
Other receipts	-	339,810	-	-	-	-	-
Total receipts	<u>1,467,913</u>	<u>3,257,752</u>	<u>1,204,652</u>	<u>6,933</u>	<u>8,457</u>	<u>195,295</u>	<u>14,245</u>
Disbursements:							
Personal services	-	-	-	-	-	67,270	-
Supplies	-	-	-	-	-	-	22
Other services and charges	950	-	-	-	-	94,508	2,030
Debt service - principal and interest	908,000	-	793,748	-	-	-	-
Capital outlay	-	503,122	-	-	-	-	-
Other disbursements	-	-	179,978	-	7,700	854	11,000
Total disbursements	<u>908,950</u>	<u>503,122</u>	<u>973,726</u>	<u>-</u>	<u>7,700</u>	<u>162,632</u>	<u>13,052</u>
Excess (deficiency) of receipts over disbursements	<u>558,963</u>	<u>2,754,630</u>	<u>230,926</u>	<u>6,933</u>	<u>757</u>	<u>32,663</u>	<u>1,193</u>
Cash and investments - ending	<u>\$ 1,627,590</u>	<u>\$ 2,754,630</u>	<u>\$ 564,815</u>	<u>\$ 7,477</u>	<u>\$ 4,417</u>	<u>\$ 354,019</u>	<u>\$ 28,912</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development	Drug Free Community	Emergency Planning/Right To Know	Emergency Telephone System
Cash and investments - beginning	\$ -	\$ 35,381	\$ 858,216	\$ 1,490,954	\$ 17,743	\$ 5,051	\$ 215,959
Receipts:							
Taxes	202,376	-	987,309	261,696	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	97,133	25,746	-	-	-
Charges for services	-	3,205	62,250	-	-	4,710	101,503
Fines and forfeits	-	-	-	-	25,953	-	-
Other receipts	-	-	3,250	-	-	-	304
Total receipts	<u>202,376</u>	<u>3,205</u>	<u>1,149,942</u>	<u>287,442</u>	<u>25,953</u>	<u>4,710</u>	<u>101,807</u>
Disbursements:							
Personal services	-	-	194,393	-	-	-	-
Supplies	-	-	244,083	-	-	-	-
Other services and charges	202,376	-	160,312	-	17,498	4,551	317,766
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	96,984	61,596	-	1,000	-
Other disbursements	-	-	230,413	-	-	-	-
Total disbursements	<u>202,376</u>	<u>-</u>	<u>926,185</u>	<u>61,596</u>	<u>17,498</u>	<u>5,551</u>	<u>317,766</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>3,205</u>	<u>223,757</u>	<u>225,846</u>	<u>8,455</u>	<u>(841)</u>	<u>(215,959)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 38,586</u>	<u>\$ 1,081,973</u>	<u>\$ 1,716,800</u>	<u>\$ 26,198</u>	<u>\$ 4,210</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Extradition	Firearms Training	Health	Identification Security Protection	Levy Excess	Local Road and Street	Misdemeanant
Cash and investments - beginning	\$ 95	\$ 28,224	\$ 323,970	\$ 55,014	\$ 33,584	\$ 41,175	\$ 42,437
Receipts:							
Taxes	-	-	194,650	-	103,052	-	-
Licenses and permits	-	7,020	-	-	-	-	-
Intergovernmental	-	-	19,150	-	-	241,324	-
Charges for services	-	-	61,699	2,788	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	14,402	-	-	-	20,238
Total receipts	-	7,020	289,901	2,788	103,052	241,324	20,238
Disbursements:							
Personal services	-	-	197,966	-	-	-	17,354
Supplies	-	-	5,572	-	-	236,677	-
Other services and charges	-	-	15,633	39,171	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	3,528	-	-	-	-
Other disbursements	-	31,020	-	-	-	-	-
Total disbursements	-	31,020	222,699	39,171	-	236,677	17,354
Excess (deficiency) of receipts over disbursements	-	(24,000)	67,202	(36,383)	103,052	4,647	2,884
Cash and investments - ending	\$ 95	\$ 4,224	\$ 391,172	\$ 18,631	\$ 136,636	\$ 45,822	\$ 45,321

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Motor Vehicle Highway	Rainy Day	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust
Cash and investments - beginning	\$ 2,796,139	\$ 1,479,269	\$ 1,576,386	\$ 215,966	\$ 464,413	\$ 579,234	\$ -
Receipts:							
Taxes	514,928	-	-	203,301	-	101,240	-
Licenses and permits	119,000	-	-	-	-	-	-
Intergovernmental	1,997,490	-	-	20,001	-	-	-
Charges for services	256,572	-	-	-	52,425	-	-
Fines and forfeits	-	-	-	-	-	-	8,336
Other receipts	30,616	-	2,746	515	583	-	-
Total receipts	<u>2,918,606</u>	<u>-</u>	<u>2,746</u>	<u>223,817</u>	<u>53,008</u>	<u>101,240</u>	<u>8,336</u>
Disbursements:							
Personal services	1,097,450	-	72,778	-	-	-	-
Supplies	863,921	-	4,037	-	-	-	-
Other services and charges	223,695	-	106,144	-	115,758	387,581	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	214,530	-	113,561	-	-	-	-
Other disbursements	-	-	-	-	-	-	8,336
Total disbursements	<u>2,399,596</u>	<u>-</u>	<u>296,520</u>	<u>-</u>	<u>115,758</u>	<u>387,581</u>	<u>8,336</u>
Excess (deficiency) of receipts over disbursements	<u>519,010</u>	<u>-</u>	<u>(293,774)</u>	<u>223,817</u>	<u>(62,750)</u>	<u>(286,341)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,315,149</u>	<u>\$ 1,479,269</u>	<u>\$ 1,282,612</u>	<u>\$ 439,783</u>	<u>\$ 401,663</u>	<u>\$ 292,893</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Supplemental Public Defender Services	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Redemption	Tax Sale Surplus	Wireless Emergency Telephone System	GAL/CASA
Cash and investments - beginning	\$ 34,862	\$ 60	\$ 3,393	\$ 1,106	\$ 43,213	\$ 492,228	\$ 6,865
Receipts:							
Taxes	-	49,347	-	75,283	-	7,618	23,628
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	6,134	-	-	46,506	-
Fines and forfeits	88,069	-	-	-	-	-	1,400
Other receipts	-	-	-	-	-	74,770	45,000
Total receipts	88,069	49,347	6,134	75,283	-	128,894	70,028
Disbursements:							
Personal services	33,122	-	-	-	-	-	54,478
Supplies	-	-	-	-	-	-	181
Other services and charges	-	-	2,400	-	-	589,881	688
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	31,241	-
Other disbursements	-	49,395	-	75,874	2,667	-	-
Total disbursements	33,122	49,395	2,400	75,874	2,667	621,122	55,347
Excess (deficiency) of receipts over disbursements	54,947	(48)	3,734	(591)	(2,667)	(492,228)	14,681
Cash and investments - ending	\$ 89,809	\$ 12	\$ 7,127	\$ 515	\$ 40,546	\$ -	\$ 21,546

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Auditors Ineligible Deductions	County Elected Officials Training	County Offender Transportation Fund	Statewide 911	Juvenile Probation Administrative	Supplemental Adult Probation Services	Law Enf. Cont. Ed to Be Disburse
Cash and investments - beginning	\$ -	\$ 947	\$ 188	\$ -	\$ 120,676	\$ 358,373	\$ 48,514
Receipts:							
Taxes	30,197	-	-	124,788	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	2,788	-	43,209	-	-	-
Fines and forfeits	3,014	-	438	-	10,461	74,462	4,047
Other receipts	-	-	-	809,668	-	-	-
Total receipts	<u>33,211</u>	<u>2,788</u>	<u>438</u>	<u>977,665</u>	<u>10,461</u>	<u>74,462</u>	<u>4,047</u>
Disbursements:							
Personal services	-	-	-	-	-	2,573	-
Supplies	-	-	-	-	-	1,440	-
Other services and charges	6,834	-	-	184,636	4,344	16,731	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	32	17,655	-
Other disbursements	3,567	200	-	-	-	-	4,675
Total disbursements	<u>10,401</u>	<u>200</u>	<u>-</u>	<u>184,636</u>	<u>4,376</u>	<u>38,399</u>	<u>4,675</u>
Excess (deficiency) of receipts over disbursements	<u>22,810</u>	<u>2,588</u>	<u>438</u>	<u>793,029</u>	<u>6,085</u>	<u>36,063</u>	<u>(628)</u>
Cash and investments - ending	<u>\$ 22,810</u>	<u>\$ 3,535</u>	<u>\$ 626</u>	<u>\$ 793,029</u>	<u>\$ 126,761</u>	<u>\$ 394,436</u>	<u>\$ 47,886</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Drainage Maintenance	Drug Buy Money	TIF Debt Service	Payroll Clearing	Settlement	Wheel Tax	Sur Tax
Cash and investments - beginning	\$ 168,508	\$ 21,417	\$ -	\$ 217,686	\$ 215	\$ -	\$ -
Receipts:							
Taxes	75,048	-	1,345,002	-	-	127,585	507,325
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	2,800	-	-	-	-	-
Other receipts	-	-	-	4,987,240	16,339,190	-	-
Total receipts	<u>75,048</u>	<u>2,800</u>	<u>1,345,002</u>	<u>4,987,240</u>	<u>16,339,190</u>	<u>127,585</u>	<u>507,325</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	106,178	2,888	1,345,002	5,187,538	16,339,405	127,585	507,325
Total disbursements	<u>106,178</u>	<u>2,888</u>	<u>1,345,002</u>	<u>5,187,538</u>	<u>16,339,405</u>	<u>127,585</u>	<u>507,325</u>
Excess (deficiency) of receipts over disbursements	<u>(31,130)</u>	<u>(88)</u>	<u>-</u>	<u>(200,298)</u>	<u>(215)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 137,378</u>	<u>\$ 21,329</u>	<u>\$ -</u>	<u>\$ 17,388</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CVET Agency	Sewage Collections	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgements
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 23,414	\$ 371	\$ 200	\$ 1,424
Receipts:							
Taxes	-	-	-	1,474,033	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	326,584	-	141,608	-	-	-	-
Charges for services	-	11,671	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	220	16,742
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>326,584</u>	<u>11,671</u>	<u>141,608</u>	<u>1,474,033</u>	<u>-</u>	<u>220</u>	<u>16,742</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	200	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	326,584	11,671	141,608	1,064,829	-	-	17,233
Total disbursements	<u>326,584</u>	<u>11,671</u>	<u>141,608</u>	<u>1,064,829</u>	<u>-</u>	<u>200</u>	<u>17,233</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,204</u>	<u>-</u>	<u>20</u>	<u>(491)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,618</u>	<u>\$ 371</u>	<u>\$ 220</u>	<u>\$ 933</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Inheritance Tax	Education Plate Fees Agency
Cash and investments - beginning	\$ 260	\$ 295	\$ 324	\$ 63	\$ 300	\$ 77,472	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,109,320	-
Charges for services	-	3,205	2,849	-	3,167	-	-
Fines and forfeits	2,621	-	-	437	-	-	-
Other receipts	-	-	-	-	-	-	450
Total receipts	<u>2,621</u>	<u>3,205</u>	<u>2,849</u>	<u>437</u>	<u>3,167</u>	<u>1,109,320</u>	<u>450</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	2,601	3,175	3,173	500	3,467	887,182	450
Total disbursements	<u>2,601</u>	<u>3,175</u>	<u>3,173</u>	<u>500</u>	<u>3,467</u>	<u>887,182</u>	<u>450</u>
Excess (deficiency) of receipts over disbursements	<u>20</u>	<u>30</u>	<u>(324)</u>	<u>(63)</u>	<u>(300)</u>	<u>222,138</u>	<u>-</u>
Cash and investments - ending	<u>\$ 280</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,610</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Riverboat Revenue Sharing	CAGIT Distribution	CEDIT Distribution	93.563 Prosecutor PCA	93.563 ARRA Clerk IV-D Incentive	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive-Post Oct '99
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 16,024	\$ 23,934	\$ 37,321
Receipts:							
Taxes	187,480	4,403,743	1,474,547	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,467,914	-	-	-	-	-
Charges for services	-	-	-	4,284	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	33,935	46,291
Total receipts	<u>187,480</u>	<u>5,871,657</u>	<u>1,474,547</u>	<u>4,284</u>	<u>-</u>	<u>33,935</u>	<u>46,291</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	187,480	5,871,657	1,474,547	2,037	-	4,532	-
Total disbursements	<u>187,480</u>	<u>5,871,657</u>	<u>1,474,547</u>	<u>2,037</u>	<u>-</u>	<u>4,532</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>29,403</u>	<u>46,291</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,247</u>	<u>\$ 16,024</u>	<u>\$ 53,337</u>	<u>\$ 83,612</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	93.563 Clerk IV-D Incentive-Post Oct '99	Clerk's Title III	Public Health Emerg. Re	H1N1 Response	C.O.P.S. More	Homeland Security 1 Grant
Cash and investments - beginning	\$ 28,930	\$ 123	\$ (2,216)	\$ 2,533	\$ 4,492	\$ 11,250
Receipts:						
Taxes	-	-	-	-	-	46,888
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	10,141	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	15,894	-	-	-	-	-
Total receipts	15,894	-	10,141	-	-	46,888
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	120	-	2,429	-	-	-
Other services and charges	9,594	-	4,825	-	-	47,888
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	397	-	-	-
Other disbursements	116	123	-	-	1,775	-
Total disbursements	9,830	123	7,651	-	1,775	47,888
Excess (deficiency) of receipts over disbursements	6,064	(123)	2,490	-	(1,775)	(1,000)
Cash and investments - ending	\$ 34,994	\$ -	\$ 274	\$ 2,533	\$ 2,717	\$ 10,250

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Airport Improvement Grant	Airport Improvement	Emerg Management Peror	Sheriff Federal Enforce	Prosecutor Federal Enforcement	Community Corrections Grant
Cash and investments - beginning	\$ 7,082	\$ 9,141	\$ 30,871	\$ 31,046	\$ 3,916	\$ 28,622
Receipts:						
Taxes	-	244,496	-	-	-	182,007
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	24,788	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	16,188	28,104	-	14,208	-	107,328
Total receipts	16,188	272,600	24,788	14,208	-	289,335
Disbursements:						
Personal services	-	-	-	-	-	317,804
Supplies	-	-	-	-	-	2,594
Other services and charges	-	266,342	-	-	-	38,174
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	33,104	-	3,233
Other disbursements	23,270	-	55,659	8,400	-	25,688
Total disbursements	23,270	266,342	55,659	41,504	-	387,493
Excess (deficiency) of receipts over disbursements	(7,082)	6,258	(30,871)	(27,296)	-	(98,158)
Cash and investments - ending	\$ -	\$ 15,399	\$ -	\$ 3,750	\$ 3,916	\$ (69,536)

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Health Maintenance Grant	L.H.D. Trust Account	Boater Safety Education	Shoreline Stabilization Grant	Adult Protective Services	Prosecutor IV-D PCA Fee
Cash and investments - beginning	\$ 45,925	\$ 35,278	\$ 1,065	\$ 1,242	\$ (7,620)	\$ 2,780
Receipts:						
Taxes	-	20,153	15,000	-	99,248	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	46,576	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	1,500	-
Total receipts	<u>46,576</u>	<u>20,153</u>	<u>15,000</u>	<u>-</u>	<u>100,748</u>	<u>-</u>
Disbursements:						
Personal services	26,596	1,870	13,998	-	91,263	-
Supplies	10,357	18,250	-	-	48	-
Other services and charges	2,311	-	-	-	10,392	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	69	-
Other disbursements	-	-	-	-	-	2,780
Total disbursements	<u>39,264</u>	<u>20,120</u>	<u>13,998</u>	<u>-</u>	<u>101,772</u>	<u>2,780</u>
Excess (deficiency) of receipts over disbursements	<u>7,312</u>	<u>33</u>	<u>1,002</u>	<u>-</u>	<u>(1,024)</u>	<u>(2,780)</u>
Cash and investments - ending	<u>\$ 53,237</u>	<u>\$ 35,311</u>	<u>\$ 2,067</u>	<u>\$ 1,242</u>	<u>\$ (8,644)</u>	<u>\$ -</u>

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Davie County Park Board	Sheriff Law Enforce.Cont.Ed.Pr	Community Corrections Proj. Inc.	West Boggs	West Boggs Donation Fund	Park Non-Revert. Capital
Cash and investments - beginning	\$ 2,119	\$ 272	\$ 164,960	\$ 36,667	\$ 3,539	\$ 21,777
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	74,678	999,867	-	8,366
Fines and forfeits	-	1,494	-	-	-	-
Other receipts	-	-	11,000	-	-	-
Total receipts	-	1,494	85,678	999,867	-	8,366
Disbursements:						
Personal services	-	-	40,158	416,309	-	-
Supplies	-	-	-	106,501	-	-
Other services and charges	-	-	-	297,393	350	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	156,236	-	-
Other disbursements	-	951	239	13,979	-	16,757
Total disbursements	-	951	40,397	990,418	350	16,757
Excess (deficiency) of receipts over disbursements	-	543	45,281	9,449	(350)	(8,391)
Cash and investments - ending	\$ 2,119	\$ 815	\$ 210,241	\$ 46,116	\$ 3,189	\$ 13,386

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	TIF Capital Projects-GPC Redev.	TIF Capital Projects-Westgate	Donations-Rescue Boat	Donations-New Jail	Donations-Training Dog	Donations-Computer Equipment
Cash and investments - beginning	\$ 165,523	\$ 43,882	\$ 1,377	\$ 295	\$ 1,806	\$ 3,000
Receipts:						
Taxes	-	81,933	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	4,000	-	-	-
Total receipts	-	81,933	4,000	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	24,910	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,275	-	-	-	-	-
Total disbursements	3,275	24,910	-	-	-	-
Excess (deficiency) of receipts over disbursements	(3,275)	57,023	4,000	-	-	-
Cash and investments - ending	\$ 162,248	\$ 100,905	\$ 5,377	\$ 295	\$ 1,806	\$ 3,000

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Donations-Car Seat Safety	Jury Fee	Pre-Trial Diversion Prog. Fee	City User Fees - Deferral	Odon Deferral	Elnora Users Fees - Deferral
Cash and investments - beginning	\$ 703	\$ 42,009	\$ 112,367	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	3,389	65,456	4,180	550	9,460
Other receipts	-	-	-	-	-	-
Total receipts	-	3,389	65,456	4,180	550	9,460
Disbursements:						
Personal services	-	-	30,206	-	-	-
Supplies	-	-	3,445	-	-	-
Other services and charges	-	-	18,008	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	9,063	-	-	-
Other disbursements	-	-	-	4,180	550	9,460
Total disbursements	-	-	60,722	4,180	550	9,460
Excess (deficiency) of receipts over disbursements	-	3,389	4,734	-	-	-
Cash and investments - ending	\$ 703	\$ 45,398	\$ 117,101	\$ -	\$ -	\$ -

DAVISS COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	TIF Capital Projects - Legends	Bennington Levee/North Breach	Bennington Levee/South Breach	Treasurer	Prosecuting Attorney Trust	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 496,667	\$ 17,993	\$ 29,301,920
Receipts:						
Taxes	52,687	-	-	-	-	27,831,801
Licenses and permits	-	-	-	-	-	126,320
Intergovernmental	-	-	-	-	-	6,912,340
Charges for services	-	-	-	-	-	3,777,088
Fines and forfeits	-	-	-	-	-	445,482
Other receipts	-	445,000	50,000	327,901	86,237	30,982,137
Total receipts	<u>52,687</u>	<u>445,000</u>	<u>50,000</u>	<u>327,901</u>	<u>86,237</u>	<u>70,075,168</u>
Disbursements:						
Personal services	-	-	-	-	-	11,208,428
Supplies	-	-	-	-	-	2,048,250
Other services and charges	-	414,063	6,212	-	-	6,152,694
Debt service - principal and interest	-	-	-	-	-	1,701,748
Capital outlay	-	-	-	-	-	2,472,808
Other disbursements	-	-	-	496,667	98,138	43,526,310
Total disbursements	<u>-</u>	<u>414,063</u>	<u>6,212</u>	<u>496,667</u>	<u>98,138</u>	<u>67,110,238</u>
Excess (deficiency) of receipts over disbursements	<u>52,687</u>	<u>30,937</u>	<u>43,788</u>	<u>(168,766)</u>	<u>(11,901)</u>	<u>2,964,930</u>
Cash and investments - ending	<u>\$ 52,687</u>	<u>\$ 30,937</u>	<u>\$ 43,788</u>	<u>\$ 327,901</u>	<u>\$ 6,092</u>	<u>\$ 32,266,850</u>

DAVISS COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 262,705</u>	<u>\$ 525,816</u>

DAVIESS COUNTY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Dav. Co. Economic Dev. Found. Inc	Economic Development	\$ 191,000	09-29-11	02-01-26
Daviess Co. Hwy	2011 140M Cat Gradder	12,915	09-12-11	09-28-14
Daviess Co. Hwy	(2) 2010 Cat Graders	148,000	06-01-10	06-01-13
Daviess County Bldg. Corp.	Jail Construction	909,000	09-30-02	01-15-28
E911 Lease	E911 Equipment	<u>106,296</u>	08-09-05	06-01-15
Total governmental activities		<u>1,367,211</u>		
Total of annual lease payments		<u>\$ 1,367,211</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Fund EG&G Project Westgate Economic Development Area	\$ 1,235,000	\$ 186,675
Revenue bonds	Fund Olon Project east of the City of Washington	2,830,000	441,806
Revenue bonds	GPC Area 1 Economic Development Area	<u>6,198,525</u>	<u>**</u>
Total governmental activities		<u>10,263,525</u>	<u>628,481</u>
Totals		<u>\$ 10,263,525</u>	<u>\$ 628,481</u>

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

DAVIESS COUNTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 679,286
Infrastructure	31,476,000
Buildings	16,401,241
Improvements other than buildings	2,333,472
Machinery, equipment, and vehicles	7,436,741
Total governmental activities	58,326,740
Total capital assets	\$ 58,326,740

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF DAVIESS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Daviess County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

May 7, 2013

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

DAVIESS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

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 COMMERCE</u>			
Pass-Through Indiana Office of Technology ARRA - State Broadband Data and Development Grant Program	11.558		\$ 1,500
Total for federal grantor agency			<u>1,500</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Public Safety Partnership and Community Policing Grants COPS meth	16.710		<u>1,775</u>
Equitable Sharing Program	16.922		<u>14,208</u>
Total for federal grantor agency			<u>15,983</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205		
Bridge Inspections			47,632
Cannelburg Road, Phase 1		DES# 0300047	579,364
Cannelburg Road, Phase 2		DES# 1005794	<u>297,726</u>
Total for cluster			<u>924,722</u>
Direct Grant			
Airport Improvement Program	20.106	3-18-0086-12	<u>242,313</u>
Total for federal grantor agency			<u>1,167,035</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness	93.069		7,612
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		<u>465</u>
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS-113-70	2,064
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
County Prosecutor's Expense			152,450
Clerk's Expense			76,345
Indirect Costs			57,987
Collection Incentives Clerk			<u>9,830</u>
Total for program			<u>296,612</u>
Total for federal grantor agency			<u>306,753</u>
<u>U.S. SOCIAL SECURITY ADMINISTRATION</u>			
Pass-Through Indiana Family and Social Services Administration Disability Insurance/SSI Cluster Social Security - Disability Insurance (DI)	96.001		<u>14</u>
Total for federal grantor agency			<u>14</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Natural Resources Boating Safety Financial Assistance	97.012		<u>13,998</u>
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		<u>16,448</u>
Hazard Mitigation Grant	97.039		<u>44,888</u>
Emergency Management Performance Grants	97.042	C44P-2-321A C44P-2-082A	21,165 <u>3,623</u>
Total for program			<u>24,788</u>
Total for federal grantor agency			<u>100,122</u>
Total federal awards expended			<u>\$ 1,591,407</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 and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

DAVISS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____
Highway Planning and Construction Cluster

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
EXIT CONFERENCE

The contents of this report were discussed on May 7, 2013, with Gail Doades, Auditor; Anthony D. Wichman, President of the Board of County Commissioners; and Mike Myer, President of the County Council. Our audit disclosed no material items that warrant comment at this time.