

**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, 2013 to December 31, 2013



**FILED**  
06/06/2014



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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	01-01-13 to 12-31-16
Sheriff	Jerry Harbstreit	01-01-11 to 12-31-14
Recorder	Jamie Chapman	01-01-13 to 12-31-16
President of the Board of County Commissioners	Anthony D. Wichman	01-01-13 to 12-31-14
President of the County Council	Michael Myers Jo Arthur	01-01-13 to 12-31-13 01-01-14 to 12-31-14



## 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, 2013, 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, 2013.

***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, 2013, 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 April 10, 2014, 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 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 records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

  
Paul D. Joyce, CPA  
State Examiner

April 10, 2014



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, 2013, and the related notes to the financial statement, and have issued our report thereon dated April 10, 2014, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

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

***Compliance and Other Matters***

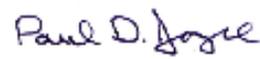
As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

***Daviess County's Response to Findings***

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

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

  
Paul D. Joyce, CPA  
State Examiner

April 10, 2014

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

DAVISS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Sheriff's Inmate Trust	\$ 11,864	\$ 217,755	\$ 225,153	\$ 4,466
Jail Commissary	22,601	206,749	203,859	25,491
Clerk's Trust	2,550,614	5,003,392	6,714,028	839,978
Sheriff's Cashbook	-	659,331	659,331	-
General	8,848,783	10,559,429	11,972,294	7,435,918
Accident Report	12,553	1,812	1,335	13,030
Aviation	881,616	330,645	274,232	938,029
CAGIT - Special Legislation	1,627,590	1,347,714	909,950	2,065,354
CAGIT County Certified Shares	2,754,629	3,033,331	372,596	5,415,364
CEDIT County Share	564,816	1,118,620	1,046,331	637,105
City and Town Court Costs	7,477	6,958	-	14,435
Clerk's Records Perpetuation	4,416	9,400	7,770	6,046
Community Corrections	354,019	206,302	213,794	346,527
Community Transition Program	28,911	12,650	40,527	1,034
Convention Visitor and Tourism Promotion	-	181,499	181,499	-
Sales Disclosure - County Share	38,586	3,700	-	42,286
Cumulative Bridge	1,081,973	1,169,819	657,601	1,594,191
Cumulative Capital Development	1,716,800	300,761	83,824	1,933,737
Drug Free Community	26,199	26,135	23,332	29,002
Emergency Planning/Right To Know	4,210	7,056	6,642	4,624
Extradition	95	-	95	-
Firearms Training	4,225	17,530	4,480	17,275
Health	391,172	320,752	260,331	451,593
Identification Security Protection	18,630	2,761	1,875	19,516
Levy Excess	136,635	42,534	179,169	-
Local Road and Street	45,822	243,368	263,310	25,880
Misdemeanant	45,320	20,238	15,896	49,662
Motor Vehicle Highway	3,315,149	3,539,197	3,473,465	3,380,881
Rainy Day	1,479,269	-	-	1,479,269
Reassessment - 2009	1,282,612	2,704	1,285,316	-
Reassessment - 2015	439,783	228,347	668,130	-
Recorder's Records Perpetuation	401,663	77,840	28,641	450,862
Riverboat	292,892	410,874	496,307	207,459
Sheriff's Pension Trust	-	8,534	8,534	-
Supplemental Public Defender Services	89,808	78,343	69,496	98,655
Surplus Tax	11	13,806	13,634	183
Surveyor's Corner Perpetuation	7,127	6,650	1,400	12,377
TAX SALE FEES	-	8,100	3,900	4,200
Tax Sale Redemption	514	-	1,349	(835)
Tax Sale Surplus	40,546	185,096	31,255	194,387
GAL/CASA	21,547	62,532	64,780	19,299
Auditors Ineligible Deductions	22,810	41,628	1,307	63,131
County Elected Officials Training	3,535	2,761	1,250	5,046
County Offender Transportation Fund	625	625	-	1,250
Statewide 911	793,030	374,709	749,375	418,364
Juvenile Probation Administrative	126,762	8,878	2,702	132,938
Supplemental Adult Probation Services	394,437	96,094	22,673	467,858
Law Enf. Cont. Ed to Be Disburse	47,886	4,398	4,394	47,890
Drainage Maintenance	137,377	76,934	37,881	176,430
Drug Buy Money	21,330	11,913	18,618	14,625
TIF Debt Service	-	1,482,000	1,482,000	-
Payroll Clearing	17,388	5,834,483	5,809,017	42,854
Settlement	-	15,954,574	15,931,705	22,869
Wheel Tax	-	124,575	124,575	-
Sur Tax	-	510,954	510,954	-
CVET Agency	-	327,176	327,176	-
Sewage Collections	-	17,417	17,417	-
Financial Institution Tax	-	165,263	165,263	-
CEDIT Homestead Credit	432,619	1,355,603	1,761,034	27,188
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, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
State Fines and Forfeitures	220	30,621	29,784	1,057
Infraction Judgements	933	16,236	16,244	925
Special Death Benefit	280	3,315	3,430	165
Sales Disclosure - State Share	325	3,700	3,710	315
Coroners Training & Con't Education	-	3,213	2,935	278
Interstate Compact - State Share	-	625	625	-
Mortgage Recording Fees - State Share	-	3,503	3,503	-
FOREST RESTORATION	-	946	946	-
Inheritance Tax	299,610	1,068,031	1,303,195	64,446
Education Plate Fees Agency	-	413	356	57
Riverboat Revenue Sharing	-	187,480	187,480	-
CAGIT Distribution	-	5,390,856	5,390,855	1
CEDIT Distribution	-	1,355,603	1,355,603	-
93.563 Prosecutor PCA	2,248	804	1,669	1,383
93.563 ARRA Clerk IV-D Incentive	16,024	-	-	16,024
93.563 Title IV-D Incentive	53,337	14,015	12,764	54,588
93.563 Prosecutor IV-D Incentive-Post Oct '99	83,612	21,079	3,238	101,453
93.563 Clerk IV-D Incentive-Post Oct '99	34,994	14,015	8,345	40,664
Public Health Emerg. Re	274	14,926	22,640	(7,440)
H1N1 Response	2,533	-	2,533	-
C.O.P.S. More	2,717	-	780	1,937
Homeland Security 1 Grant	10,250	5,113	5,613	9,750
Airport Improvement	15,399	198,132	28,518	185,013
Emerg Management Peror	-	25,299	25,299	-
Sheriff Federal Enforce	3,750	38,493	600	41,643
Prosecutor Federal Enforcement	3,916	-	-	3,916
Community Corrections Grant	(69,536)	440,679	435,305	(64,162)
Local Health Maintenance Grant	53,237	41,687	40,618	54,306
L.H.D. Trust Account	35,312	14,279	41,556	8,035
Boater Safety Education	2,067	15,000	14,661	2,406
Shoreline Stabilization Grant	1,242	-	-	1,242
Adult Protective Services	(8,645)	92,351	99,226	(15,520)
Daviess County Park Board	2,119	-	-	2,119
Sheriff Law Enforce.Cont.Ed.Pr	815	737	-	1,552
Community Corrections Proj. Inc.	210,241	69,275	138,520	140,996
West Boggs	46,116	989,769	1,005,849	30,036
West Boggs Donation Fund	3,189	-	-	3,189
Park Non-Revert. Capital	13,386	9,551	8,597	14,340
TIF Capital Projects-GPC Redev.	162,248	329,312	42,091	449,469
TIF Capital Projects-Westgate	100,904	74,578	133,670	41,812
Donations-Rescue Boat	5,377	-	-	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	45,398	3,254	-	48,652
Pre-Trial Diversion Prog. Fee	117,102	58,160	53,691	121,571
City User Fees - Deferral	-	11,000	11,000	-
Odon Deferral	-	440	440	-
Elnora Users Fees - Deferral	-	2,750	2,750	-
TIF Capital Projects - Legends	52,687	51,107	75,000	28,794
Bennington Levee/North Breach	30,937	-	30,937	-
Bennington Levee/South Breach	43,788	-	43,788	-
Treasurer	327,901	492,371	327,900	492,372
Prosecuting Attorney Trust	6,092	41,499	45,783	1,808
REASSESSMENT-2017	-	1,719,863	-	1,719,863
ARRA State Broadband Data and Development Grant	-	2,500	1,500	1,000
Hospital Preparedness Pro and Cooperative Agreement	-	11,686	11,686	-
Totals	<u>\$ 32,266,850</u>	<u>\$ 68,930,515</u>	<u>\$ 68,408,035</u>	<u>\$ 32,789,330</u>

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 Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

*C. Cash and Investments*

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

*D. Receipts*

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

Taxes 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.

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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, 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.

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

State statutes authorize the County to invest in securities including, but not limited to, 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.

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of Public Health Emerg. Re fund, Community Corrections Grant fund, and Adult Protective Services fund being set up for reimbursable grants. The reimbursement for expenditures made by the County were not received by December 31, 2013.

The Tax Sale Redemption fund also had a negative cash balance at year end due to a disbursement being paid out of the wrong fund. This was discovered by the County Auditor's Office and the Auditor of State's Office has been contacted since it dealt with an invalid tax sale. Per the Auditor of State's Office, the correction will be made during the June 2014 settlement.

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## 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, 2013

	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	Sheriff's Cashbook	General	Accident Report	Aviation
Cash and investments - beginning	\$ 11,864	\$ 22,601	\$ 2,550,614	\$ -	\$ 8,848,783	\$ 12,553	\$ 881,616
Receipts:							
Taxes	-	-	-	-	7,587,521	-	76,814
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,458,221	-	7,737
Charges for services	-	-	-	-	1,300,913	1,812	245,953
Fines and forfeits	-	-	-	-	107,511	-	-
Other receipts	217,755	206,749	5,003,392	659,331	105,263	-	141
Total receipts	217,755	206,749	5,003,392	659,331	10,559,429	1,812	330,645
Disbursements:							
Personal services	-	-	-	-	7,961,291	-	45,245
Supplies	-	-	-	-	356,242	-	170,259
Other services and charges	-	-	-	-	1,669,326	1,335	55,620
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,109,337	-	795
Other disbursements	225,153	203,859	6,714,028	659,331	876,098	-	2,313
Total disbursements	225,153	203,859	6,714,028	659,331	11,972,294	1,335	274,232
Excess (deficiency) of receipts over disbursements	(7,398)	2,890	(1,710,636)	-	(1,412,865)	477	56,413
Cash and investments - ending	\$ 4,466	\$ 25,491	\$ 839,978	\$ -	\$ 7,435,918	\$ 13,030	\$ 938,029

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (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	\$ 1,627,590	\$ 2,754,629	\$ 564,816	\$ 7,477	\$ 4,416	\$ 354,019	\$ 28,911
Receipts:							
Taxes	1,347,714	2,689,937	978,620	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	62,688	-	-	-	-	-
Charges for services	-	-	140,000	-	-	206,302	12,650
Fines and forfeits	-	-	-	6,958	9,400	-	-
Other receipts	-	280,706	-	-	-	-	-
Total receipts	<u>1,347,714</u>	<u>3,033,331</u>	<u>1,118,620</u>	<u>6,958</u>	<u>9,400</u>	<u>206,302</u>	<u>12,650</u>
Disbursements:							
Personal services	-	-	-	-	-	120,503	915
Supplies	-	-	-	-	-	-	3,056
Other services and charges	950	372,596	191,000	-	-	92,661	10,191
Debt service - principal and interest	909,000	-	628,481	-	-	-	-
Capital outlay	-	-	-	-	-	-	26,365
Other disbursements	-	-	226,850	-	7,770	630	-
Total disbursements	<u>909,950</u>	<u>372,596</u>	<u>1,046,331</u>	<u>-</u>	<u>7,770</u>	<u>213,794</u>	<u>40,527</u>
Excess (deficiency) of receipts over disbursements	<u>437,764</u>	<u>2,660,735</u>	<u>72,289</u>	<u>6,958</u>	<u>1,630</u>	<u>(7,492)</u>	<u>(27,877)</u>
Cash and investments - ending	<u>\$ 2,065,354</u>	<u>\$ 5,415,364</u>	<u>\$ 637,105</u>	<u>\$ 14,435</u>	<u>\$ 6,046</u>	<u>\$ 346,527</u>	<u>\$ 1,034</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge	Cumulative Capital Development	Drug Free Community	Emergency Planning/Right To Know	Extradition
Cash and investments - beginning	\$ -	\$ 38,586	\$ 1,081,973	\$ 1,716,800	\$ 26,199	\$ 4,210	\$ 95
Receipts:							
Taxes	181,499	-	1,031,505	273,239	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	103,900	27,522	-	-	-
Charges for services	-	3,700	34,089	-	-	7,056	-
Fines and forfeits	-	-	-	-	26,135	-	-
Other receipts	-	-	325	-	-	-	-
Total receipts	<u>181,499</u>	<u>3,700</u>	<u>1,169,819</u>	<u>300,761</u>	<u>26,135</u>	<u>7,056</u>	<u>-</u>
Disbursements:							
Personal services	-	-	171,603	-	-	-	-
Supplies	-	-	158,179	-	-	-	-
Other services and charges	181,499	-	224,466	-	23,332	5,884	95
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	103,353	83,824	-	758	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>181,499</u>	<u>-</u>	<u>657,601</u>	<u>83,824</u>	<u>23,332</u>	<u>6,642</u>	<u>95</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>3,700</u>	<u>512,218</u>	<u>216,937</u>	<u>2,803</u>	<u>414</u>	<u>(95)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,286</u>	<u>\$ 1,594,191</u>	<u>\$ 1,933,737</u>	<u>\$ 29,002</u>	<u>\$ 4,624</u>	<u>\$ -</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Firearms Training	Health	Identification Security Protection	Levy Excess	Local Road and Street	Misdemeanant	Motor Vehicle Highway
Cash and investments - beginning	\$ 4,225	\$ 391,172	\$ 18,630	\$ 136,635	\$ 45,822	\$ 45,320	\$ 3,315,149
Receipts:							
Taxes	-	192,036	-	42,534	-	-	517,285
Licenses and permits	17,530	-	-	-	-	-	115,860
Intergovernmental	-	19,343	-	-	243,368	-	2,257,137
Charges for services	-	94,969	2,761	-	-	-	620,800
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	14,404	-	-	-	20,238	28,115
Total receipts	<u>17,530</u>	<u>320,752</u>	<u>2,761</u>	<u>42,534</u>	<u>243,368</u>	<u>20,238</u>	<u>3,539,197</u>
Disbursements:							
Personal services	-	194,470	-	-	-	15,896	1,067,622
Supplies	-	5,022	-	-	263,310	-	1,546,438
Other services and charges	-	21,294	1,875	-	-	-	184,912
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	2,786	-	-	-	-	674,493
Other disbursements	4,480	36,759	-	179,169	-	-	-
Total disbursements	<u>4,480</u>	<u>260,331</u>	<u>1,875</u>	<u>179,169</u>	<u>263,310</u>	<u>15,896</u>	<u>3,473,465</u>
Excess (deficiency) of receipts over disbursements	<u>13,050</u>	<u>60,421</u>	<u>886</u>	<u>(136,635)</u>	<u>(19,942)</u>	<u>4,342</u>	<u>65,732</u>
Cash and investments - ending	<u>\$ 17,275</u>	<u>\$ 451,593</u>	<u>\$ 19,516</u>	<u>\$ -</u>	<u>\$ 25,880</u>	<u>\$ 49,662</u>	<u>\$ 3,380,881</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Rainy Day	Reassessment - 2009	Reassessment - 2015	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust	Supplemental Public Defender Services
Cash and investments - beginning	\$ 1,479,269	\$ 1,282,612	\$ 439,783	\$ 401,663	\$ 292,892	\$ -	\$ 89,808
Receipts:							
Taxes	-	-	206,301	-	136,148	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	20,780	-	-	-	-
Charges for services	-	-	-	76,888	-	-	-
Fines and forfeits	-	-	-	-	-	8,534	78,343
Other receipts	-	2,704	1,266	952	274,726	-	-
Total receipts	-	2,704	228,347	77,840	410,874	8,534	78,343
Disbursements:							
Personal services	-	101,796	-	-	-	-	69,496
Supplies	-	2,361	-	-	-	-	-
Other services and charges	-	97,990	-	28,641	496,307	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	31,436	-	-	-	-	-
Other disbursements	-	1,051,733	668,130	-	-	8,534	-
Total disbursements	-	1,285,316	668,130	28,641	496,307	8,534	69,496
Excess (deficiency) of receipts over disbursements	-	(1,282,612)	(439,783)	49,199	(85,433)	-	8,847
Cash and investments - ending	<u>\$ 1,479,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,862</u>	<u>\$ 207,459</u>	<u>\$ -</u>	<u>\$ 98,655</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Surplus Tax	Surveyor's Corner Perpetuation	TAX SALE FEES	Tax Sale Redemption	Tax Sale Surplus	GAL/CASA	Auditors Ineligible Deductions
Cash and investments - beginning	\$ 11	\$ 7,127	\$ -	\$ 514	\$ 40,546	\$ 21,547	\$ 22,810
Receipts:							
Taxes	13,806	-	8,100	-	185,096	16,287	37,831
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	6,650	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	600	3,797
Other receipts	-	-	-	-	-	45,645	-
Total receipts	<u>13,806</u>	<u>6,650</u>	<u>8,100</u>	<u>-</u>	<u>185,096</u>	<u>62,532</u>	<u>41,628</u>
Disbursements:							
Personal services	-	-	-	-	-	62,794	-
Supplies	-	-	-	-	-	517	-
Other services and charges	-	1,400	-	-	-	1,469	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	13,634	-	3,900	1,349	31,255	-	1,307
Total disbursements	<u>13,634</u>	<u>1,400</u>	<u>3,900</u>	<u>1,349</u>	<u>31,255</u>	<u>64,780</u>	<u>1,307</u>
Excess (deficiency) of receipts over disbursements	<u>172</u>	<u>5,250</u>	<u>4,200</u>	<u>(1,349)</u>	<u>153,841</u>	<u>(2,248)</u>	<u>40,321</u>
Cash and investments - ending	<u>\$ 183</u>	<u>\$ 12,377</u>	<u>\$ 4,200</u>	<u>\$ (835)</u>	<u>\$ 194,387</u>	<u>\$ 19,299</u>	<u>\$ 63,131</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	County Elected Officials Training	County Offender Transportation Fund	Statewide 911	Juvenile Probation Administrative	Supplemental Adult Probation Services	Law Enf. Cont. Ed to Be Disburse	Drainage Maintenance
Cash and investments - beginning	\$ 3,535	\$ 625	\$ 793,030	\$ 126,762	\$ 394,437	\$ 47,886	\$ 137,377
Receipts:							
Taxes	-	-	349,932	-	-	-	75,634
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,761	-	24,777	-	-	-	-
Fines and forfeits	-	625	-	8,878	96,094	4,398	-
Other receipts	-	-	-	-	-	-	1,300
Total receipts	<u>2,761</u>	<u>625</u>	<u>374,709</u>	<u>8,878</u>	<u>96,094</u>	<u>4,398</u>	<u>76,934</u>
Disbursements:							
Personal services	-	-	425,533	-	2,125	-	-
Supplies	-	-	-	-	1,938	-	-
Other services and charges	-	-	120,741	2,702	18,055	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	203,101	-	358	-	-
Other disbursements	1,250	-	-	-	197	4,394	37,881
Total disbursements	<u>1,250</u>	<u>-</u>	<u>749,375</u>	<u>2,702</u>	<u>22,673</u>	<u>4,394</u>	<u>37,881</u>
Excess (deficiency) of receipts over disbursements	<u>1,511</u>	<u>625</u>	<u>(374,666)</u>	<u>6,176</u>	<u>73,421</u>	<u>4</u>	<u>39,053</u>
Cash and investments - ending	<u>\$ 5,046</u>	<u>\$ 1,250</u>	<u>\$ 418,364</u>	<u>\$ 132,938</u>	<u>\$ 467,858</u>	<u>\$ 47,890</u>	<u>\$ 176,430</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Drug Buy Money	TIF Debt Service	Payroll Clearing	Settlement	Wheel Tax	Sur Tax	CVET Agency
Cash and investments - beginning	\$ 21,330	\$ -	\$ 17,388	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	1,482,000	-	-	124,575	510,954	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	327,176
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	1,083	-	-	-	-	-	-
Other receipts	10,830	-	5,834,483	15,954,574	-	-	-
Total receipts	<u>11,913</u>	<u>1,482,000</u>	<u>5,834,483</u>	<u>15,954,574</u>	<u>124,575</u>	<u>510,954</u>	<u>327,176</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	18,618	1,482,000	5,809,017	15,931,705	124,575	510,954	327,176
Total disbursements	<u>18,618</u>	<u>1,482,000</u>	<u>5,809,017</u>	<u>15,931,705</u>	<u>124,575</u>	<u>510,954</u>	<u>327,176</u>
Excess (deficiency) of receipts over disbursements	<u>(6,705)</u>	<u>-</u>	<u>25,466</u>	<u>22,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 14,625</u>	<u>\$ -</u>	<u>\$ 42,854</u>	<u>\$ 22,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sewage Collections	Financial Institution Tax	CEDIT Homestead Credit	HEA 1001 State Homestead Credit	State Fines and Forfeitures	Infraction Judgements	Special Death Benefit
Cash and investments - beginning	\$ -	\$ -	\$ 432,619	\$ 371	\$ 220	\$ 933	\$ 280
Receipts:							
Taxes	-	-	1,355,603	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	165,263	-	-	-	-	-
Charges for services	17,417	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	30,621	16,236	3,315
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>17,417</u>	<u>165,263</u>	<u>1,355,603</u>	<u>-</u>	<u>30,621</u>	<u>16,236</u>	<u>3,315</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	29,784	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	17,417	165,263	1,761,034	-	-	16,244	3,430
Total disbursements	<u>17,417</u>	<u>165,263</u>	<u>1,761,034</u>	<u>-</u>	<u>29,784</u>	<u>16,244</u>	<u>3,430</u>
Excess (deficiency) of receipts over disbursements	-	-	(405,431)	-	837	(8)	(115)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,188</u>	<u>\$ 371</u>	<u>\$ 1,057</u>	<u>\$ 925</u>	<u>\$ 165</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sales Disclosure - State Share	Coroners Training & Con't Education	Interstate Compact - State Share	Mortgage Recording Fees - State Share	FOREST RESTORATION	Inheritance Tax	Education Plate Fees Agency
Cash and investments - beginning	\$ 325	\$ -	\$ -	\$ -	\$ -	\$ 299,610	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,068,031	-
Charges for services	3,700	3,213	-	3,503	-	-	-
Fines and forfeits	-	-	625	-	946	-	-
Other receipts	-	-	-	-	-	-	413
Total receipts	<u>3,700</u>	<u>3,213</u>	<u>625</u>	<u>3,503</u>	<u>946</u>	<u>1,068,031</u>	<u>413</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,710	2,935	625	3,503	946	1,303,195	356
Total disbursements	<u>3,710</u>	<u>2,935</u>	<u>625</u>	<u>3,503</u>	<u>946</u>	<u>1,303,195</u>	<u>356</u>
Excess (deficiency) of receipts over disbursements	<u>(10)</u>	<u>278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(235,164)</u>	<u>57</u>
Cash and investments - ending	<u>\$ 315</u>	<u>\$ 278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,446</u>	<u>\$ 57</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (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	\$ -	\$ -	\$ -	\$ 2,248	\$ 16,024	\$ 53,337	\$ 83,612
Receipts:							
Taxes	187,480	4,043,142	1,355,603	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,347,714	-	-	-	-	-
Charges for services	-	-	-	804	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	14,015	21,079
Total receipts	<u>187,480</u>	<u>5,390,856</u>	<u>1,355,603</u>	<u>804</u>	<u>-</u>	<u>14,015</u>	<u>21,079</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,950	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	<u>187,480</u>	<u>5,390,855</u>	<u>1,355,603</u>	<u>1,669</u>	<u>-</u>	<u>10,814</u>	<u>3,238</u>
Total disbursements	<u>187,480</u>	<u>5,390,855</u>	<u>1,355,603</u>	<u>1,669</u>	<u>-</u>	<u>12,764</u>	<u>3,238</u>
Excess (deficiency) of receipts over disbursements	-	1	-	(865)	-	1,251	17,841
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,383</u>	<u>\$ 16,024</u>	<u>\$ 54,588</u>	<u>\$ 101,453</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	93.563 Clerk IV-D Incentive-Post Oct '99	Public Health Emerg. Re	H1N1 Response	C.O.P.S. More	Homeland Security 1 Grant	Airport Improvement	Emerg Management Peror
Cash and investments - beginning	\$ 34,994	\$ 274	\$ 2,533	\$ 2,717	\$ 10,250	\$ 15,399	\$ -
Receipts:							
Taxes	-	-	-	-	5,113	198,132	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	14,926	-	-	-	-	25,299
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	14,015	-	-	-	-	-	-
Total receipts	<u>14,015</u>	<u>14,926</u>	<u>-</u>	<u>-</u>	<u>5,113</u>	<u>198,132</u>	<u>25,299</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	8,462	2,533	-	-	-	-
Other services and charges	-	11,908	-	-	5,613	28,518	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	2,270	-	-	-	-	-
Other disbursements	8,345	-	-	780	-	-	25,299
Total disbursements	<u>8,345</u>	<u>22,640</u>	<u>2,533</u>	<u>780</u>	<u>5,613</u>	<u>28,518</u>	<u>25,299</u>
Excess (deficiency) of receipts over disbursements	<u>5,670</u>	<u>(7,714)</u>	<u>(2,533)</u>	<u>(780)</u>	<u>(500)</u>	<u>169,614</u>	<u>-</u>
Cash and investments - ending	<u>\$ 40,664</u>	<u>\$ (7,440)</u>	<u>\$ -</u>	<u>\$ 1,937</u>	<u>\$ 9,750</u>	<u>\$ 185,013</u>	<u>\$ -</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sheriff Federal Enforce	Prosecutor Federal Enforcement	Community Corrections Grant	Local Health Maintenance Grant	L.H.D. Trust Account	Boater Safety Education	Shoreline Stabilization Grant
Cash and investments - beginning	\$ 3,750	\$ 3,916	\$ (69,536)	\$ 53,237	\$ 35,312	\$ 2,067	\$ 1,242
Receipts:							
Taxes	-	-	182,031	-	10,076	15,000	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	33,139	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	38,493	-	258,648	8,548	4,203	-	-
Total receipts	38,493	-	440,679	41,687	14,279	15,000	-
Disbursements:							
Personal services	-	-	327,741	23,650	30,530	14,537	-
Supplies	-	-	6,303	2,625	3,727	-	-
Other services and charges	-	-	49,828	2,527	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	51,381	11,816	7,299	-	-
Other disbursements	600	-	52	-	-	124	-
Total disbursements	600	-	435,305	40,618	41,556	14,661	-
Excess (deficiency) of receipts over disbursements	37,893	-	5,374	1,069	(27,277)	339	-
Cash and investments - ending	<u>\$ 41,643</u>	<u>\$ 3,916</u>	<u>\$ (64,162)</u>	<u>\$ 54,306</u>	<u>\$ 8,035</u>	<u>\$ 2,406</u>	<u>\$ 1,242</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Adult Protective Services	Daviess 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	\$ (8,645)	\$ 2,119	\$ 815	\$ 210,241	\$ 46,116	\$ 3,189	\$ 13,386
Receipts:							
Taxes	92,351	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	69,223	989,769	-	9,551
Fines and forfeits	-	-	737	-	-	-	-
Other receipts	-	-	-	52	-	-	-
Total receipts	<u>92,351</u>	<u>-</u>	<u>737</u>	<u>69,275</u>	<u>989,769</u>	<u>-</u>	<u>9,551</u>
Disbursements:							
Personal services	86,372	-	-	138,145	490,631	-	-
Supplies	220	-	-	-	105,029	-	-
Other services and charges	10,245	-	-	-	359,112	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,389	-	-	-	42,410	-	-
Other disbursements	-	-	-	375	8,667	-	8,597
Total disbursements	<u>99,226</u>	<u>-</u>	<u>-</u>	<u>138,520</u>	<u>1,005,849</u>	<u>-</u>	<u>8,597</u>
Excess (deficiency) of receipts over disbursements	<u>(6,875)</u>	<u>-</u>	<u>737</u>	<u>(69,245)</u>	<u>(16,080)</u>	<u>-</u>	<u>954</u>
Cash and investments - ending	<u>\$ (15,520)</u>	<u>\$ 2,119</u>	<u>\$ 1,552</u>	<u>\$ 140,996</u>	<u>\$ 30,036</u>	<u>\$ 3,189</u>	<u>\$ 14,340</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	TIF Capital Projects-GPC Redev.	TIF Capital Projects-Westgate	Donations-Rescue Boat	Donations-New Jail	Donations-Training Dog	Donations-Computer Equipment	Donations-Car Seat Safety
Cash and investments - beginning	\$ 162,248	\$ 100,904	\$ 5,377	\$ 295	\$ 1,806	\$ 3,000	\$ 703
Receipts:							
Taxes	329,312	74,578	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>329,312</u>	<u>74,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	42,091	133,670	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>42,091</u>	<u>133,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>287,221</u>	<u>(59,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 449,469</u>	<u>\$ 41,812</u>	<u>\$ 5,377</u>	<u>\$ 295</u>	<u>\$ 1,806</u>	<u>\$ 3,000</u>	<u>\$ 703</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Jury Fee	Pre-Trial Diversion Prog. Fee	City User Fees - Deferral	Odon Deferral	Elnora Users Fees - Deferral	TIF Capital Projects - Legends	Bennington Levee/North Breach
Cash and investments - beginning	\$ 45,398	\$ 117,102	\$ -	\$ -	\$ -	\$ 52,687	\$ 30,937
Receipts:							
Taxes	-	-	-	-	-	51,107	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	3,254	58,058	11,000	440	2,750	-	-
Other receipts	-	102	-	-	-	-	-
Total receipts	<u>3,254</u>	<u>58,160</u>	<u>11,000</u>	<u>440</u>	<u>2,750</u>	<u>51,107</u>	<u>-</u>
Disbursements:							
Personal services	-	19,571	-	-	-	-	-
Supplies	-	9,712	-	-	-	-	-
Other services and charges	-	14,709	-	-	-	75,000	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	9,699	-	-	-	-	-
Other disbursements	-	-	11,000	440	2,750	-	30,937
Total disbursements	<u>-</u>	<u>53,691</u>	<u>11,000</u>	<u>440</u>	<u>2,750</u>	<u>75,000</u>	<u>30,937</u>
Excess (deficiency) of receipts over disbursements	<u>3,254</u>	<u>4,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,893)</u>	<u>(30,937)</u>
Cash and investments - ending	<u>\$ 48,652</u>	<u>\$ 121,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,794</u>	<u>\$ -</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Bennington Levee/South Breach	Treasurer	Prosecuting Attorney Trust	REASSESSMENT-2017	ARRA State Broadband Data and Development Grant	Hospital Preparedness Pro and Cooperative Agreeeme	Totals
Cash and investments - beginning	\$ 43,788	\$ 327,901	\$ 6,092	\$ -	\$ -	\$ -	\$ 32,266,850
Receipts:							
Taxes	-	-	-	-	-	-	25,964,896
Licenses and permits	-	-	-	-	-	-	133,390
Intergovernmental	-	-	-	-	-	11,686	7,120,566
Charges for services	-	-	-	-	2,500	-	3,955,125
Fines and forfeits	-	-	-	-	-	-	480,338
Other receipts	-	492,371	41,499	1,719,863	-	-	31,276,200
Total receipts	-	492,371	41,499	1,719,863	2,500	11,686	68,930,515
Disbursements:							
Personal services	-	-	-	-	-	-	11,370,466
Supplies	-	-	-	-	-	-	2,645,933
Other services and charges	-	-	-	-	1,500	11,686	4,582,482
Debt service - principal and interest	-	-	-	-	-	-	1,537,481
Capital outlay	-	-	-	-	-	-	2,363,870
Other disbursements	43,788	327,900	45,783	-	-	-	45,907,803
Total disbursements	43,788	327,900	45,783	-	1,500	11,686	68,408,035
Excess (deficiency) of receipts over disbursements	(43,788)	164,471	(4,284)	1,719,863	1,000	-	522,480
Cash and investments - ending	\$ -	\$ 492,372	\$ 1,808	\$ 1,719,863	\$ 1,000	\$ -	\$ 32,789,330

DAVISS COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 505,554</u>	<u>\$ 785,663</u>

DAVISS COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

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) 2013 Catt Graders	49,894	07-08-13	09-30-16
Daviess County Bldg. Corp.	Jail Construction	909,000	09-30-02	01-15-28
Daviess County Sheriff	Digital Voice Recording Equipment	7,315	06-07-13	06-05-17
E911 Lease	E911 Equipment	<u>120,730</u>	08-09-05	06-01-15
Total governmental activities		<u>1,290,854</u>		
Total of annual lease payments		<u>\$ 1,290,854</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	\$ 1,130,000	\$ 189,419
Revenue bonds	Fund Olon Project East of the City of Washington	2,575,000	439,425
Revenue bonds	GPC Area 1 Economic Development Area	<u>4,716,525</u>	<u>**</u>
Total governmental activities		<u>8,421,525</u>	<u>628,844</u>
Totals		<u>\$ 8,421,525</u>	<u>\$ 628,844</u>

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

DAVISS COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2013

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	97,107,554
Buildings	16,835,756
Improvements other than buildings	33,796,621
Machinery, equipment, and vehicles	8,184,945
Construction in progress	2,823,163
Total governmental activities	159,427,325
Total capital assets	\$ 159,427,325

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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, 2013. 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 its major federal program for the year ended December 31, 2013.

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

***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

  
Paul D. Joyce, CPA  
State Examiner

April 10, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
ARRA - State Broadband Data and Development Grant Program	Indiana Office of Technology	11.558		
ARRA - State Broadband Data and Development Grant			020-2-7884	\$ 1,500
Total - Department of Commerce				1,500
<u>Department of the Interior</u>				
Fish and Wildlife Cluster				
Wildlife Restoration and Basic Hunter Education	Indiana Department of Natural Resources	15.611		
Wildlife Restoration and Basic Hunter Education				918
Total - Fish and Wildlife Cluster				918
Total - Department of the Interior				918
<u>Department of Justice</u>				
ARRA - Public Safety Partnership and Community Policing Grants	Direct grant	16.710		
ARRA - Public Safety Partnership and Community Policing Grants			GL-INS - 0180	24,364
Equitable Sharing Program	Direct grant	16.922		
Sheriff Federal Enforcement				38,493
Total - Department of Justice				62,857
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Cannelburg Phase I			DES # 030047	416,460
Cannelburg Phase II			DES #1005794	306,595
Bridge Inspections			DES #1005975	26,905
Total - Highway Planning and Construction				749,960
Total - Highway Planning and Construction Cluster				749,960
Airport Improvement Program	Direct grant	20.106		
Airport Improvement Program			3-18-00086-14	196,895
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703		
LEPC			G44P-3-1748	3,113
Total - Department of Transportation				949,968
<u>Department of Health and Human Services</u>				
Public Health Emergency Preparedness	Indiana State Department of Health	93.069		
Public Health Emergency Preparedness				11,742
Hospital Preparedness Program (HPP) and Public Health Emergency				
Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074		
Hospital Preparedness Program (HPP) and Public Health				
Emergency Preparedness (PHEP) Aligned Cooperative Agreements				11,686

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

DAVISS COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Health and Human Services (continued)</u>				
Centers for Disease Control and Prevention - Investigations and Technical Assistance Public Health Emergency Preparedness	Indiana State Department of Health	93.283	BPRS-113-75	3,184
Child Support Enforcement	Indiana Department of Child Services	93.563		
County Prosecutor's Expense				152,315
Clerk's Expense				57,615
Court Expense				14,021
Indirect Cost				63,824
Collection Incentives Prosecutor				3,238
Collection Incentives Clerk				8,345
Collection Incentives County				12,764
Total - Child Support Enforcement				312,122
Social Services Block Grant	Indiana Family and Social Services Administration	93.667		
Social Services Block Grant				8,000
Total - Department of Health and Human Services				346,734
<u>Social Security Administration</u>				
Disability Insurance/SSI Cluster				
Social Security - Disability Insurance	Indiana Family and Social Services Administration	96.001		
Social Security - Disability Insurance				28
Total - Disability Insurance/SSI Cluster				28
Total - Social Security Administration				28
<u>Department of Homeland Security</u>				
Boating Safety Financial Assistance	Indiana Department of Natural Resources	97.012		
Boater Safety Education				8,176
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042		
Emergency Management Performance Grants			C44P-3-245B	25,299
Total - Department of Homeland Security				33,475
Total federal awards expended				<u>\$ 1,395,480</u>

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

DAVISS 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 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.

DAVIESS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

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:	Unmodified
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 Program:

\_\_\_\_\_ 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
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**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: state grants were included, not all federal grants were listed, not all CFDA numbers were provided, program titles were not always correct, and expenditures for some federal grants were incorrect. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

***Section III – Federal Award Findings and Questioned Costs***

No matters are reportable.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.

# Auditor of Daviess County

Gail L. Doades

*Daviess County Courthouse*

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Washington, IN 47501

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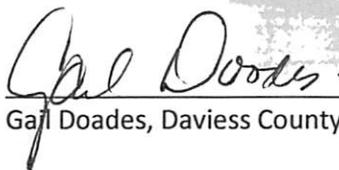
Finding 2013-001 Internal Controls over the preparation of the Schedule of Expenditures of Federal Awards.

Contact: Gail Doades

Title: Daviess County Auditor

Phone: 812-486-7534

In response to the finding of the 2013-001 Internal Controls over the preparation of the Schedule of Expenditures of Federal Awards: Effective 3-1-14 controls have been put in place to prevent future SEFA Grants reporting errors. The 2013 SEFA has been corrected with the removal of State Grants and every Federal amount reported has been traced back and balanced with the Electronic Funds Transfer (EFT) statement received in 2013. A spreadsheet has been compiled and will be updated when EFT statement emails are received in an effort to keep track of federal monies coming into the county. Although there is no identification on the EFT's as to whether it is federal monies or not each EFT will be compared to previous ones in an effort to identify the funds received and try to determine from what federal program the monies originated. Some Daviess County grants receive federal monies from more than one federal program. EFT's are emailed through the State Auditor's Office and they have been contacted about putting identification on the EFT when federal monies are received and identifying the federal programs. A second spreadsheet has been compiled that will accurately track the IV-D grant monies received.

 - 3-17-14  
Gail Doades, Daviess County Auditor

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the County. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.