

**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, 2015 to December 31, 2015



**FILED**  
09/27/2017



## 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 <sup>6</sup> Performed in Accordance with <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-17
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	20-35
Schedule of Payables and Receivables .....	36
Schedule of Leases and Debt .....	37
Schedule of Capital Assets.....	38
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	40-42
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	44-45
Notes to Schedule of Expenditures of Federal Awards .....	46
Schedule of Findings and Questioned Costs .....	47-56
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	58-61
Corrective Action Plan .....	62-68
Other Reports.....	69

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia K. Ball	01-01-15 to 12-31-18
County Treasurer	Elaine Wellman	01-01-15 to 12-31-18
Clerk of the Circuit Court	Janice M. Williams	01-01-15 to 12-31-18
County Sheriff	Jerry Harbstreit	01-01-15 to 12-31-18
County Recorder	Jamie Chapman	01-01-13 to 12-31-20
President of the Board of County Commissioners	C. Michael Taylor Nathan Gabhart	01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Mike Sprinkle Mike Myers Mike Sprinkle	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



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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](http://www.in.gov/sboa)

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, 2015, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2015.

***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, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 2017, 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.

  
Paul D. Joyce, CPA  
State Examiner

September 19, 2017



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

TO: THE OFFICIALS OF 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, 2015, and the related notes to the financial statement, and have issued our report thereon dated September 19, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, and 2015-003, that we consider to be material weaknesses.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-003.

**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

September 19, 2017

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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.

DAVIESS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Sheriff's Inmate Trust	\$ 3,674	\$ 535,993	\$ 527,485	\$ 12,182
Jail Commissary	16,597	126,865	136,760	6,702
Clerk's Trust	692,395	2,366,147	2,308,190	750,352
General	5,055,948	10,929,941	13,305,662	2,680,227
Accident Report	14,192	1,504	-	15,696
Aviation	942,885	310,805	189,718	1,063,972
CAGIT - Special Legislation	2,550,369	1,432,275	910,045	3,072,599
CAGIT County Certified Shares	8,132,198	3,356,958	471,889	11,017,267
CEDIT County Share	689,144	1,182,654	1,397,710	474,088
City and Town Court Costs	22,254	7,843	-	30,097
Clerk's Records Perpetuation	10,419	13,824	770	23,473
Community Corrections	326,989	153,458	230,788	249,659
Community Transition Program	13,400	14,750	5,301	22,849
Convention Visitor and Tourism Promotion	-	205,775	205,600	175
Sales Disclosure - County Share	46,006	3,710	-	49,716
Cumulative Bridge	1,933,446	1,243,573	992,786	2,184,233
Cumulative Capital Development	2,199,918	310,628	136,844	2,373,702
Drug Free Community	36,740	30,246	34,352	32,634
Emergency Planning/Right To Know	5,922	3,782	3,536	6,168
Emergency Telephone System	123	-	123	-
Firearms Training	22,576	10,450	21,044	11,982
Health	482,723	396,136	401,563	477,296
Identification Security Protection	14,810	2,544	4,735	12,619
Levy Excess	121	-	-	121
Local Road and Street	209,065	248,796	415,255	42,606
Misdemeanant	55,510	19,630	16,993	58,147
Motor Vehicle Highway	4,197,406	4,080,941	3,726,150	4,552,197
Rainy Day	1,479,269	-	-	1,479,269
Recorder's Records Perpetuation	467,838	51,437	36,462	482,813
Riverboat	344,358	137,063	20,610	460,811
Sheriff's Pension Trust	897	14,828	15,725	-
Supplemental Public Defender Services	37,232	80,551	18,378	99,405
Surplus Tax	13	13,993	13,969	37
Surveyor's Corner Perpetuation	18,602	6,370	-	24,972
Tax Sale Fees	2,573	-	-	2,573
Tax Sale Redemption	331	58,928	58,590	669
Tax Sale Surplus	140,634	52,938	115,243	78,329
GAL/CASA	10	114,302	106,935	7,377
Auditors Ineligible Deductions	75,191	-	-	75,191
County Elected Officials Training	7,356	2,544	451	9,449
County Offender Transportation Fund	1,688	-	-	1,688
Statewide 911	435,185	350,283	241,998	543,470
Juvenile Probation Administrative	133,903	2,180	5,374	130,709
Supplemental Adult Probation Services	529,402	30,958	48,427	511,933
Law Enf. Cont. Ed to Be Disburse	47,890	5,388	5,412	47,866
Drainage Maintenance	223,533	76,306	80,183	219,656
Drug Buy Money	22,163	9,769	10,370	21,562
Donation- Strategic Resp. Unit	2,726	450	-	3,176
TIF Debt Service	-	1,482,000	1,482,000	-
TIF Capital Projects-South Washington	25,555	2	25,554	3
Payroll Clearing	21,734	4,834,171	4,819,933	35,972
Settlement	-	17,741,468	17,741,466	2
Wheel Tax	-	134,721	134,721	-
Sur Tax	-	535,533	535,533	-
CVET Agency	-	344,130	344,130	-
Sewage Collections	-	18,364	18,364	-
Financial Institution Tax	-	187,344	187,344	-
CEDIT Homestead Credit	25,090	1,442,305	1,442,405	24,990
State Fines and Forfeitures	4,180	5,830	5,955	4,055

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, 2015  
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
Infraction Judgements	972	14,774	14,977	769
Overweight Vehicle Fines	-	1	1	-
Special Death Benefit	205	3,003	3,073	135
Sales Disclosure - State Share	400	3,710	3,760	350
Coroners Training & Con't Education	280	3,658	3,754	184
Interstate Compact - State Share	63	-	63	-
Mortgage Recording Fees - State Share	215	2,748	2,755	208
Inheritance Tax	440	914	1,354	-
Education Plate Fees Agency	38	337	375	-
Riverboat Revenue Sharing	-	187,480	187,480	-
CAGIT Distribution	-	5,729,098	5,729,098	-
CEDIT Distribution	-	1,442,305	1,442,305	-
93.563 Prosecutor PCA	1,211	1,324	779	1,756
93.563 ARRA Clerk IV-D Incentive	7,817	-	7,800	17
93.563 Title IV-D Incentive	58,442	12,232	7,800	62,874
93.563 Prosecutor IV-D Incentive-Post Oct '99	117,452	18,394	25,063	110,783
93.563 Clerk IV-D Incentive-Post Oct '99	53,238	12,232	1,751	63,719
Public Health Emerg. Re	(4,777)	6,229	1,246	206
C.O.P.S. More	212	3,782	3,745	249
Homeland Security 1 Grant	9,750	-	-	9,750
Airport Improvement	15,118	72,561	75,882	11,797
Emerg Management Peror	-	51,103	51,103	-
Sheriff Federal Enforce	105,198	28,474	68,197	65,475
Prosecutor Federal Enforcement	1,000	7,680	-	8,680
Community Corrections Grant	(83,063)	532,383	531,351	(82,031)
Local Health Maintenance Grant	56,613	33,639	28,864	61,388
L.H.D. Trust Account	8,188	20,153	20,077	8,264
Boater Safety Education	4,054	15,000	17,450	1,604
Shoreline Stabilization Grant	94	-	-	94
Adult Protective Services	1,194	93,776	101,374	(6,404)
Daviess County Park Board	2,119	-	-	2,119
Sheriff Law Enforce. Cont. Ed. Pr.	2,274	549	2,600	223
Community Corrections Proj. Inc.	121,545	91,915	159,481	53,979
West Boggs	76,207	896,903	896,470	76,640
West Boggs Donation Fund	3,189	-	-	3,189
Park Non-Revert. Capital	15,947	-	14,042	1,905
TIF Capital Projects-GPC Redev.	651,863	288,220	186,411	753,672
TIF Capital Projects-Westgate	124,297	90,590	114,352	100,535
Donations-Rescue Boat	5,122	-	-	5,122
Donations-New Jail	295	-	-	295
Donations-Training Dog	1,806	-	-	1,806
Donations-Computer Equipment	3,500	-	-	3,500
Donations-Car Seat Safety	703	-	-	703
Jury Fee	52,302	3,964	-	56,266
Pre-Trial Diversion Prog. Fee	127,702	87,108	80,339	134,471
City User Fees - Deferral	(110)	6,600	6,490	-
Elnora Users Fees - Deferral	-	1,980	1,980	-
TIF Capital Projects - Legends	53,048	72,830	1,300	124,578
Treasurer	770,541	821,540	770,541	821,540
Prosecuting Attorney Trust	541	26,138	26,556	123
Reassessment-2017	1,526,410	231,131	294,496	1,463,045
ARRA State Broadband Data and Development Grant	1,000	-	-	1,000
Comm. Cert. Sale Fees	-	23,247	23,247	-
Certificate Sale Surplus	-	1,635	-	1,635
Daviess County Vaccine Program	-	15,513	15,479	34
Industrial Development Grant	-	49,802	49,802	-
EHB 1387 Veteran Service Grant	-	230	230	-
<b>Totals</b>	<b>\$ 35,616,838</b>	<b>\$ 65,730,269</b>	<b>\$ 63,934,124</b>	<b>\$ 37,412,983</b>

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.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

*Licenses and permits.* Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the County.

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

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

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

*E. Disbursements*

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

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

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for 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.

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the County in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the Community Corrections Grant fund and the Adult Protective Services fund being set up for reimbursable grants. The reimbursement for expenditures made by the County was not received by December 31, 2015.

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8.  *Holding Corporation***

The County has entered into a capital lease with Daviess County Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2015 totaled \$909,000.

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#### OTHER INFORMATION - UNAUDITED

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

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

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report	Aviation	CAGIT - Special Legislation	CAGIT County Certified Shares
Cash and investments - beginning	\$ 3,674	\$ 16,597	\$ 692,395	\$ 5,055,948	\$ 14,192	\$ 942,885	\$ 2,550,369	\$ 8,132,198
Receipts:								
Taxes	-	-	-	8,105,456	-	119,488	1,432,275	2,864,340
Licenses and permits	-	-	-	3,235	-	-	-	-
Intergovernmental	-	-	-	1,382,658	-	11,028	-	-
Charges for services	-	-	-	1,252,384	1,504	180,289	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	535,993	126,865	2,366,147	186,208	-	-	-	492,618
Total receipts	535,993	126,865	2,366,147	10,929,941	1,504	310,805	1,432,275	3,356,958
Disbursements:								
Personal services	-	-	-	9,013,077	-	53,697	-	-
Supplies	-	-	-	464,278	-	90,953	-	-
Other services and charges	-	-	-	1,826,673	-	38,222	1,045	471,889
Debt service - principal and interest	-	-	-	-	-	-	909,000	-
Capital outlay	-	-	-	1,144,863	-	2,488	-	-
Other disbursements	527,485	136,760	2,308,190	856,771	-	4,358	-	-
Total disbursements	527,485	136,760	2,308,190	13,305,662	-	189,718	910,045	471,889
Excess (deficiency) of receipts over disbursements	8,508	(9,895)	57,957	(2,375,721)	1,504	121,087	522,230	2,885,069
Cash and investments - ending	\$ 12,182	\$ 6,702	\$ 750,352	\$ 2,680,227	\$ 15,696	\$ 1,063,972	\$ 3,072,599	\$ 11,017,267

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CEDIT County Share	City and Town Court Costs	Clerk's Records Perpetuation	Community Corrections	Community Transition Program	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge
Cash and investments - beginning	\$ 689,144	\$ 22,254	\$ 10,419	\$ 326,989	\$ 13,400	\$ -	\$ 46,006	\$ 1,933,446
Receipts:								
Taxes	1,042,654	-	-	-	-	205,775	-	1,074,201
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	99,139
Charges for services	140,000	-	-	153,458	14,750	-	3,710	59,246
Fines and forfeits	-	7,843	13,824	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	10,987
Total receipts	<u>1,182,654</u>	<u>7,843</u>	<u>13,824</u>	<u>153,458</u>	<u>14,750</u>	<u>205,775</u>	<u>3,710</u>	<u>1,243,573</u>
Disbursements:								
Personal services	-	-	-	158,173	300	-	-	167,885
Supplies	-	-	-	-	1,877	-	-	240,608
Other services and charges	95,500	-	-	72,029	3,124	205,600	-	286,876
Debt service - principal and interest	627,350	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	297,417
Other disbursements	674,860	-	770	586	-	-	-	-
Total disbursements	<u>1,397,710</u>	<u>-</u>	<u>770</u>	<u>230,788</u>	<u>5,301</u>	<u>205,600</u>	<u>-</u>	<u>992,786</u>
Excess (deficiency) of receipts over disbursements	<u>(215,056)</u>	<u>7,843</u>	<u>13,054</u>	<u>(77,330)</u>	<u>9,449</u>	<u>175</u>	<u>3,710</u>	<u>250,787</u>
Cash and investments - ending	<u>\$ 474,088</u>	<u>\$ 30,097</u>	<u>\$ 23,473</u>	<u>\$ 249,659</u>	<u>\$ 22,849</u>	<u>\$ 175</u>	<u>\$ 49,716</u>	<u>\$ 2,184,233</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Cumulative Capital Development	Drug Free Community	Emergency Planning/Right To Know	Emergency Telephone System	Firearms Training	Health	Identification Security Protection	Levy Excess
Cash and investments - beginning	\$ 2,199,918	\$ 36,740	\$ 5,922	\$ 123	\$ 22,576	\$ 482,723	\$ 14,810	\$ 121
Receipts:								
Taxes	284,382	-	-	-	-	143,386	-	-
Licenses and permits	-	-	-	-	10,450	-	-	-
Intergovernmental	26,246	-	-	-	-	13,233	-	-
Charges for services	-	-	3,782	-	-	204,037	2,544	-
Fines and forfeits	-	30,246	-	-	-	-	-	-
Other receipts	-	-	-	-	-	35,480	-	-
<b>Total receipts</b>	<b>310,628</b>	<b>30,246</b>	<b>3,782</b>	<b>-</b>	<b>10,450</b>	<b>396,136</b>	<b>2,544</b>	<b>-</b>
Disbursements:								
Personal services	-	-	-	-	-	262,398	-	-
Supplies	-	-	-	-	-	5,083	-	-
Other services and charges	-	34,352	3,536	123	-	23,382	4,735	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	136,844	-	-	-	-	1,198	-	-
Other disbursements	-	-	-	-	21,044	109,502	-	-
<b>Total disbursements</b>	<b>136,844</b>	<b>34,352</b>	<b>3,536</b>	<b>123</b>	<b>21,044</b>	<b>401,563</b>	<b>4,735</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	173,784	(4,106)	246	(123)	(10,594)	(5,427)	(2,191)	-
Cash and investments - ending	\$ 2,373,702	\$ 32,634	\$ 6,168	\$ -	\$ 11,982	\$ 477,296	\$ 12,619	\$ 121

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Local Road and Street	Misdemeanant	Motor Vehicle Highway	Rainy Day	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust	Supplemental Public Defender Services
Cash and investments - beginning	\$ 209,065	\$ 55,510	\$ 4,197,406	\$ 1,479,269	\$ 467,838	\$ 344,358	\$ 897	\$ 37,232
Receipts:								
Taxes	-	-	-	-	-	137,063	-	-
Licenses and permits	-	-	112,210	-	-	-	-	-
Intergovernmental	248,796	-	3,334,400	-	-	-	-	-
Charges for services	-	-	607,096	-	50,560	-	-	-
Fines and forfeits	-	-	-	-	-	-	14,828	80,551
Other receipts	-	19,630	27,235	-	877	-	-	-
Total receipts	<u>248,796</u>	<u>19,630</u>	<u>4,080,941</u>	<u>-</u>	<u>51,437</u>	<u>137,063</u>	<u>14,828</u>	<u>80,551</u>
Disbursements:								
Personal services	-	16,993	1,285,032	-	-	-	-	18,378
Supplies	415,255	-	1,068,231	-	-	20,610	-	-
Other services and charges	-	-	214,977	-	36,462	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	1,157,910	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	15,725	-
Total disbursements	<u>415,255</u>	<u>16,993</u>	<u>3,726,150</u>	<u>-</u>	<u>36,462</u>	<u>20,610</u>	<u>15,725</u>	<u>18,378</u>
Excess (deficiency) of receipts over disbursements	<u>(166,459)</u>	<u>2,637</u>	<u>354,791</u>	<u>-</u>	<u>14,975</u>	<u>116,453</u>	<u>(897)</u>	<u>62,173</u>
Cash and investments - ending	<u>\$ 42,606</u>	<u>\$ 58,147</u>	<u>\$ 4,552,197</u>	<u>\$ 1,479,269</u>	<u>\$ 482,813</u>	<u>\$ 460,811</u>	<u>\$ -</u>	<u>\$ 99,405</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus	GAL/CASA	Auditors Ineligible Deductions	County Elected Officials Training
Cash and investments - beginning	\$ 13	\$ 18,602	\$ 2,573	\$ 331	\$ 140,634	\$ 10	\$ 75,191	\$ 7,356
Receipts:								
Taxes	13,993	-	-	58,928	52,938	13,064	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	6,370	-	-	-	-	-	2,544
Fines and forfeits	-	-	-	-	-	100	-	-
Other receipts	-	-	-	-	-	101,138	-	-
Total receipts	13,993	6,370	-	58,928	52,938	114,302	-	2,544
Disbursements:								
Personal services	-	-	-	-	-	100,601	-	-
Supplies	-	-	-	-	-	1,304	-	-
Other services and charges	-	-	-	-	-	5,030	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	13,969	-	-	58,590	115,243	-	-	451
Total disbursements	13,969	-	-	58,590	115,243	106,935	-	451
Excess (deficiency) of receipts over disbursements	24	6,370	-	338	(62,305)	7,367	-	2,093
Cash and investments - ending	\$ 37	\$ 24,972	\$ 2,573	\$ 669	\$ 78,329	\$ 7,377	\$ 75,191	\$ 9,449

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	County Offender Transportation Fund	Statewide 911	Juvenile Probation Administrative	Supplemental Adult Probation Services	Law Enf. Cont. Ed to Be Disburse	Drainage Maintenance	Drug Buy Money
Cash and investments - beginning	\$ 1,688	\$ 435,185	\$ 133,903	\$ 529,402	\$ 47,890	\$ 223,533	\$ 22,163
Receipts:							
Taxes	-	350,160	-	-	-	75,634	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	672	-
Fines and forfeits	-	-	2,180	30,958	5,388	-	350
Other receipts	-	123	-	-	-	-	9,419
Total receipts	-	350,283	2,180	30,958	5,388	76,306	9,769
Disbursements:							
Personal services	-	70,000	-	7,184	-	-	-
Supplies	-	-	-	3,666	-	-	-
Other services and charges	-	67,601	5,374	20,026	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	104,397	-	17,324	-	-	-
Other disbursements	-	-	-	227	5,412	80,183	10,370
Total disbursements	-	241,998	5,374	48,427	5,412	80,183	10,370
Excess (deficiency) of receipts over disbursements	-	108,285	(3,194)	(17,469)	(24)	(3,877)	(601)
Cash and investments - ending	\$ 1,688	\$ 543,470	\$ 130,709	\$ 511,933	\$ 47,866	\$ 219,656	\$ 21,562

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Donation- Strategic Resp. Unit	TIF Debt Service	TIF Capital Projects-South Washington	Payroll Clearing	Settlement	Wheel Tax	Sur Tax
Cash and investments - beginning	\$ 2,726	\$ -	\$ 25,555	\$ 21,734	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	1,482,000	2	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	134,721	535,533
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	450	-	-	4,834,171	17,741,468	-	-
Total receipts	450	1,482,000	2	4,834,171	17,741,468	134,721	535,533
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	25,554	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	1,482,000	-	4,819,933	17,741,466	134,721	535,533
Total disbursements	-	1,482,000	25,554	4,819,933	17,741,466	134,721	535,533
Excess (deficiency) of receipts over disbursements	450	-	(25,552)	14,238	2	-	-
Cash and investments - ending	\$ 3,176	\$ -	\$ 3	\$ 35,972	\$ 2	\$ -	\$ -

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CVET Agency	Sewage Collections	Financial Institution Tax	CEDIT Homestead Credit	State Fines and Forfeitures	Infraction Judgements	Overweight Vehicle Fines
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 25,090	\$ 4,180	\$ 972	\$ -
Receipts:							
Taxes	-	-	-	1,442,305	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	344,130	-	187,344	-	-	-	-
Charges for services	-	18,364	-	-	-	-	-
Fines and forfeits	-	-	-	-	5,830	14,774	1
Other receipts	-	-	-	-	-	-	-
Total receipts	344,130	18,364	187,344	1,442,305	5,830	14,774	1
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	5,955	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	344,130	18,364	187,344	1,442,405	-	14,977	1
Total disbursements	344,130	18,364	187,344	1,442,405	5,955	14,977	1
Excess (deficiency) of receipts over disbursements	-	-	-	(100)	(125)	(203)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 24,990	\$ 4,055	\$ 769	\$ -

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (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	\$ 205	\$ 400	\$ 280	\$ 63	\$ 215	\$ 440	\$ 38
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	914	-
Charges for services	-	3,710	3,658	-	2,748	-	-
Fines and forfeits	3,003	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	337
Total receipts	<u>3,003</u>	<u>3,710</u>	<u>3,658</u>	<u>-</u>	<u>2,748</u>	<u>914</u>	<u>337</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,073	3,760	3,754	63	2,755	1,354	375
Total disbursements	<u>3,073</u>	<u>3,760</u>	<u>3,754</u>	<u>63</u>	<u>2,755</u>	<u>1,354</u>	<u>375</u>
Excess (deficiency) of receipts over disbursements	<u>(70)</u>	<u>(50)</u>	<u>(96)</u>	<u>(63)</u>	<u>(7)</u>	<u>(440)</u>	<u>(38)</u>
Cash and investments - ending	<u>\$ 135</u>	<u>\$ 350</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ 208</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, 2015  
 (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	\$ -	\$ -	\$ -	\$ 1,211	\$ 7,817	\$ 58,442	\$ 117,452
Receipts:							
Taxes	187,480	4,296,823	1,442,305	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,432,275	-	-	-	-	-
Charges for services	-	-	-	1,324	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	12,232	18,394
Total receipts	<u>187,480</u>	<u>5,729,098</u>	<u>1,442,305</u>	<u>1,324</u>	<u>-</u>	<u>12,232</u>	<u>18,394</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	187,480	5,729,098	1,442,305	779	7,800	7,800	25,063
Total disbursements	<u>187,480</u>	<u>5,729,098</u>	<u>1,442,305</u>	<u>779</u>	<u>7,800</u>	<u>7,800</u>	<u>25,063</u>
Excess (deficiency) of receipts over disbursements	-	-	-	545	(7,800)	4,432	(6,669)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,756	\$ 17	\$ 62,874	\$ 110,783

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	93.563 Clerk IV-D Incentive-Post Oct '99	Public Health Emerg. Re	C.O.P.S. More	Homeland Security 1 Grant	Airport Improvement	Emerg Management Peror	Sheriff Federal Enforce
Cash and investments - beginning	\$ 53,238	\$ (4,777)	\$ 212	\$ 9,750	\$ 15,118	\$ -	\$ 105,198
Receipts:							
Taxes	-	-	-	-	72,561	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	6,229	-	-	-	51,103	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	12,232	-	3,782	-	-	-	28,474
Total receipts	<u>12,232</u>	<u>6,229</u>	<u>3,782</u>	<u>-</u>	<u>72,561</u>	<u>51,103</u>	<u>28,474</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	198	-	-	-	-	-
Other services and charges	-	1,048	-	-	75,882	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,751	-	3,745	-	-	51,103	68,197
Total disbursements	<u>1,751</u>	<u>1,246</u>	<u>3,745</u>	<u>-</u>	<u>75,882</u>	<u>51,103</u>	<u>68,197</u>
Excess (deficiency) of receipts over disbursements	<u>10,481</u>	<u>4,983</u>	<u>37</u>	<u>-</u>	<u>(3,321)</u>	<u>-</u>	<u>(39,723)</u>
Cash and investments - ending	<u>\$ 63,719</u>	<u>\$ 206</u>	<u>\$ 249</u>	<u>\$ 9,750</u>	<u>\$ 11,797</u>	<u>\$ -</u>	<u>\$ 65,475</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Prosecutor Federal Enforcement	Community Corrections Grant	Local Health Maintenance Grant	L.H.D. Trust Account	Boater Safety Education	Shoreline Stabilization Grant	Adult Protective Services
Cash and investments - beginning	\$ 1,000	\$ (83,063)	\$ 56,613	\$ 8,188	\$ 4,054	\$ 94	\$ 1,194
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	216,037	-	20,153	15,000	-	93,776
Charges for services	-	-	33,139	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,680	316,346	500	-	-	-	-
Total receipts	7,680	532,383	33,639	20,153	15,000	-	93,776
Disbursements:							
Personal services	-	448,179	23,421	20,077	12,673	-	98,082
Supplies	-	7,822	676	-	-	-	206
Other services and charges	-	51,245	2,322	-	2,111	-	2,479
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	24,105	-	-	-	-	607
Other disbursements	-	-	2,445	-	2,666	-	-
Total disbursements	-	531,351	28,864	20,077	17,450	-	101,374
Excess (deficiency) of receipts over disbursements	7,680	1,032	4,775	76	(2,450)	-	(7,598)
Cash and investments - ending	\$ 8,680	\$ (82,031)	\$ 61,388	\$ 8,264	\$ 1,604	\$ 94	\$ (6,404)

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Davies County Park Board	Sheriff Law Enforce. Cont. Ed. Pr.	Community Corrections Proj. Inc.	West Boggs	West Boggs Donation Fund	Park Non-Revert. Capital	TIF Capital Projects-GPC Redev.
Cash and investments - beginning	\$ 2,119	\$ 2,274	\$ 121,545	\$ 76,207	\$ 3,189	\$ 15,947	\$ 651,863
Receipts:							
Taxes	-	-	-	-	-	-	288,220
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	89,000	857,275	-	-	-
Fines and forfeits	-	549	-	-	-	-	-
Other receipts	-	-	2,915	39,628	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>549</b>	<b>91,915</b>	<b>896,903</b>	<b>-</b>	<b>-</b>	<b>288,220</b>
Disbursements:							
Personal services	-	2,600	158,173	385,047	-	-	-
Supplies	-	-	-	60,234	-	-	-
Other services and charges	-	-	-	317,834	-	-	3,000
Debt service - principal and interest	-	-	-	-	-	-	183,411
Capital outlay	-	-	-	83,335	-	-	-
Other disbursements	-	-	1,308	50,020	-	14,042	-
<b>Total disbursements</b>	<b>-</b>	<b>2,600</b>	<b>159,481</b>	<b>896,470</b>	<b>-</b>	<b>14,042</b>	<b>186,411</b>
Excess (deficiency) of receipts over disbursements	-	(2,051)	(67,566)	433	-	(14,042)	101,809
Cash and investments - ending	\$ 2,119	\$ 223	\$ 53,979	\$ 76,640	\$ 3,189	\$ 1,905	\$ 753,672

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	TIF Capital Projects-Westgate	Donations-Rescue Boat	Donations-New Jail	Donations-Training Dog	Donations-Computer Equipment	Donations-Car Seat Safety	Jury Fee
Cash and investments - beginning	\$ 124,297	\$ 5,122	\$ 295	\$ 1,806	\$ 3,500	\$ 703	\$ 52,302
Receipts:							
Taxes	90,590	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	3,964
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>90,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,964</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	114,352	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>114,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(23,762)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,964</u>
Cash and investments - ending	<u>\$ 100,535</u>	<u>\$ 5,122</u>	<u>\$ 295</u>	<u>\$ 1,806</u>	<u>\$ 3,500</u>	<u>\$ 703</u>	<u>\$ 56,266</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Pre-Trial Diversion Prog. Fee	City User Fees - Deferral	Elnora Users Fees - Deferral	TIF Capital Projects - Legends	Treasurer	Prosecuting Attorney Trust	Reassessment-2017
Cash and investments - beginning	\$ 127,702	\$ (110)	\$ -	\$ 53,048	\$ 770,541	\$ 541	\$ 1,526,410
Receipts:							
Taxes	-	-	-	72,830	-	-	206,715
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	19,078
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	78,034	6,600	1,980	-	-	-	-
Other receipts	9,074	-	-	-	821,540	26,138	5,338
Total receipts	87,108	6,600	1,980	72,830	821,540	26,138	231,131
Disbursements:							
Personal services	21,131	-	-	-	-	-	144,221
Supplies	8,851	-	-	-	-	-	3,285
Other services and charges	39,563	-	-	1,300	-	-	95,465
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	7,724	-	-	-	-	-	51,525
Other disbursements	3,070	6,490	1,980	-	770,541	26,556	-
Total disbursements	80,339	6,490	1,980	1,300	770,541	26,556	294,496
Excess (deficiency) of receipts over disbursements	6,769	110	-	71,530	50,999	(418)	(63,365)
Cash and investments - ending	\$ 134,471	\$ -	\$ -	\$ 124,578	\$ 821,540	\$ 123	\$ 1,463,045

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	ARRA State Broadband Data and Development Grant	Comm. Cert. Sale Fees	Certificate Sale Surplus	Daviess County Vaccine Program	Industrial Development Grant	EHB 1387 Veteran Service Grant	Totals
Cash and investments - beginning	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,616,838
Receipts:							
Taxes	-	23,247	1,635	-	-	-	25,580,450
Licenses and permits	-	-	-	-	-	-	125,895
Intergovernmental	-	-	-	-	49,802	230	8,164,493
Charges for services	-	-	-	15,513	-	-	3,765,009
Fines and forfeits	-	-	-	-	-	-	301,003
Other receipts	-	-	-	-	-	-	27,793,419
Total receipts	-	23,247	1,635	15,513	49,802	230	65,730,269
Disbursements:							
Personal services	-	-	-	-	-	-	12,467,322
Supplies	-	-	-	6,507	-	-	2,399,644
Other services and charges	-	-	-	1,779	-	-	4,156,445
Debt service - principal and interest	-	-	-	-	-	-	1,719,761
Capital outlay	-	-	-	7,193	-	-	3,036,930
Other disbursements	-	23,247	-	-	49,802	230	40,154,022
Total disbursements	-	23,247	-	15,479	49,802	230	63,934,124
Excess (deficiency) of receipts over disbursements	-	-	1,635	34	-	-	1,796,145
Cash and investments - ending	\$ 1,000	\$ -	\$ 1,635	\$ 34	\$ -	\$ -	\$ 37,412,983

DAVISS COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 293,540</u>	<u>\$ 469,413</u>

DAVISS COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Dav. Co. Economic Dev. Found. Inc	Economic Development	\$ 191,000	9/29/2011	2/1/2026
Caterpillar Financial Services Corporation	(2) 2013 Cat Graders SN 1554-1556	49,894	7/8/2013	9/30/2016
Caterpillar Financial Services Corporation	2014 M316D Cat Excavator SN 0338	23,838	6/1/2014	8/1/2019
Caterpillar Financial Services Corporation	2014 Cat Grader SN 0516	25,475	8/25/2014	9/30/2017
Davess County Building Corporation	Jail Construction	912,000	9/30/2002	1/15/2028
Kansas State Bank of Manhattan	Digital Voice Recording Equipment	7,315	6/7/2013	6/5/2017
Total governmental activities		<u>1,209,522</u>		
Total of annual lease payments		<u>\$ 1,209,522</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	\$ 895,000	\$ 198,050
Revenue bonds	Fund Olon Project east of the City of Washington	2,015,000	440,950
Revenue bonds	GPC Area 1 Economic Development Area	1,308,932	1,482,000
Revenue bonds	Economic Development Revenue Bonds Series 2014	1,900,000	-
Total governmental activities		<u>6,118,932</u>	<u>2,121,000</u>
Totals		<u>\$ 6,118,932</u>	<u>\$ 2,121,000</u>

DAVISS COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2015

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	\$ 714,286
Infrastructure	100,850,143
Buildings	17,211,440
Improvements other than buildings	33,813,242
Machinery, equipment, and vehicles	8,441,922
Total governmental activities	161,031,033
Total capital assets	\$ 161,031,033

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

***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, 2015.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-004 and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

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


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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-004 and 2015-005, that we consider to be material weaknesses.

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

The County's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

  
Paul D. Joyce, CPA  
State Examiner

September 19, 2017

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

DAVISS COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<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			300FW1A22D46000	\$ -	\$ 1,456
Total - Fish and Wildlife Cluster				-	1,456
Total - Department of the Interior				-	1,456
<u>Department of Justice</u>					
Equitable Sharing Program	Direct grant	16.922			
Sheriff Federal Enforcement				-	28,474
Prosecutor Federal Enforcement				-	7,680
Total - Equitable Sharing Program				-	36,154
Total - Department of Justice				-	36,154
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Cannelburg Phase I			DES 0300047	-	7,078
Cannelburg Phase II			DES 1005974	-	518,071
Cannelburg Phase III			DES 1383329	-	197,663
Bridge Inspection - 2015/2019 Phase I			DES 1382190	-	56,654
Right of Way Phase II			DES 1005974	-	19,652
Total - Highway Planning and Construction				-	799,118
Total - Highway Planning and Construction Cluster				-	799,118
Airport Improvement Program	Direct grant	20.106			
Airport Improvement Program			3-18-0086-13-11	-	6,840
			3-18-0086-15-1	-	59,759
			3-18-0086-13-10	-	5,616
Total - Airport Improvement Program				-	72,215
Total - Department of Transportation				-	871,333
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements	Indiana State Department of Health	93.268			
Daviss County Vaccine Program			A70-5-073172	-	15,513
Total - Immunization Cooperative Agreements				-	15,513

The accompanying notes are 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, 2015  
(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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Health and Human Services (continued)</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Emergency Preparedness	Indiana State Department of Health	93.074	A70-5-0532448	-	6,228
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	6,228
Child Support Enforcement ARRA - County Clerk's Expense Collection Incentives Prosecutor Collection Incentives County County Prosecutor's Expense Clerk's Expense Court Expense Indirect Cost Collection Incentives Clerk	Indiana Department of Child Services	93.563		-	7,800
				-	25,063
				-	7,800
				-	194,472
				-	52,892
				-	15,227
				-	79,172
				-	1,751
Total - Child Support Enforcement				-	384,177
Total - Department of Health and Human Services				-	405,918
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance Boater Safety Education	Indiana Department of Natural Resources	97.012	300LE1BOATGRT15	-	7,500
Total - Boating Safety Financial Assistance				-	7,500
Emergency Management Performance Grants State Homeland Security Program EMPG Salary Reimbursement EMA Performance Grants	Indiana Department of Homeland Security	97.042	C44P-6-012B	-	18,849
			C44P-5-704B	-	21,906
			C44P-5-471B	-	8,485
Total - Emergency Management Performance Grants				-	49,240
State Homeland Security Program (SHSP) State Homeland Security Program	Indiana Department of Homeland Security	97.073	C44P-5-576B	-	20,712
Total - Homeland Security Grant Program				-	20,712
Total - Department of Homeland Security				-	77,452
Total federal awards expended				\$ -	\$ 1,392,313

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

DAVIESS COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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; 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 programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
93.563	Highway Planning and Construction Cluster Child Support Enforcement	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Findings**

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The County did not have proper controls in place over the preparation of the Schedule of Expenditures of Federal Awards (SEFA) to ensure accurate reporting of federal awards. Federal expenditures of \$3,782 were reported for a nonfederally funded program. Federal expenditures for four grants were overstated by a total of \$73,139, and federal expenditures for one grant were understated by \$55,342. In addition, the program titles were incorrectly reported for three federal programs, and no identifying numbers were reported for any federal programs.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

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

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

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

**FINDING 2015-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There was a lack of segregation of duties within the internal control system of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting. The Clerk had not separated incompatible activities related to cash and investments or disbursements.

Cash and Investments - Individuals with responsibilities for receipting and disbursing funds also performed the monthly bank reconciliations. There was no indication of a review, oversight, or approval process.

Disbursements - Individuals with responsibility for disbursing funds had complete control over the disbursements function. The same individuals responsible for preparation of checks also used the Clerk's signature stamp to sign those checks authorizing payment. There was no indication of a review, oversight, or approval process.

*Criteria*

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

DAVIESS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

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

*Cause*

Management of the County had not established a proper system of internal control over the Clerk's cash and investments or disbursements.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*Views of Responsible Officials*

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

**FINDING 2015-003 - FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were deficiencies in the internal control system of the County Auditor and the Board of County Commissioners related to financial transactions and reporting regarding economic development activities and Daviess-Martin County Joint Park activities. Adequate controls were not in place to ensure that contracts and agreements entered into by the County were adhered to and that disbursements for these activities had adequate documentation to ensure the funding was used for their intended purposes.

*Loan Agreement - Economic Development*

The County entered into a loan agreement with Daviess County Economic Development Foundation, Inc (Foundation), a not-for-profit entity, on June 1, 2006, to lend the \$5,125,000 proceeds of the Taxable Economic Development Income Tax Revenue Bonds of 2006, Series A and B to the Foundation. The loan agreement states: "The Series 2006 Bonds issued under the Indenture will be payable solely out of: the payments to be made by the Borrower on the Series 2006 Notes and any other notes issued hereunder; the City Annual Appropriation, the County EDIT Pledge, junior and subordinate to the 2005 Bonds, and County Revenues. . . .; and Bond proceeds and proceeds of condemnation and insurance." The Bond Purchase Agreement dated June 22, 2006, also indicates in subsection (1)(c)(5): ". . . the Bonds are payable from loan repayments from the Borrower under the Loan Agreement, offset by available County EDIT Pledge, County Revenues and City Annual Appropriation, to the extent available."

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

There was no evidence that the Foundation made any loan payments to the County throughout the duration of the agreement in accordance with the Loan Agreement referred to above. The County paid off the 2006 Series A and B Bonds early on March 30, 2017, using County General funds in the amount of \$2,196,073.

*Disbursement Documentation - Economic Development*

The Board of County Commissioners and the County Auditor approved and processed disbursements to several not-for-profit entities for economic development activities without adequate documentation to ensure the funds were spent for their intended uses. Disbursements were made in 2015 to the following entities without proper documentation:

Daviess County Economic Development Corporation (Corporation)	\$149,500
Daviess County Economic Development Foundation (Foundation)	178,262
Daviess County Revolving Loan Corporation	235,669
Daviess County Economic Development Commission (Commission)	<u>45,000</u>
Total Disbursed without Adequate Supporting Documentation	<u>\$ 608,431</u>

All the entities noted above maintained the same mailing and business address so all payments went to the same business location. There were no contracts, invoices, or other documentation to indicate what the payments to the Revolving Loan Corporation and the Commission were for. Additionally, the check issued to the Commission was cashed by the Corporation.

The County provided a contract with the Corporation and Foundation. However, both contracts provided were exactly the same, including the services to be provided, date signed, and signatures of officers. The claims for payment submitted to the County Auditor and approved by the County Commissioners included invoices from the Corporation and the Foundation, but the invoices were not itemized and only included a time period for the invoice and a total amount due. The contract (as noted below) stated that the invoice shall itemize hours expended by each category of employee.

Each contract had specific wording for submitting invoices for payment as follows:

"The Foundation (or Corporation) shall submit invoices to Daviess County for the services performed on a periodic basis, not more often than monthly, utilizing claim forms acceptable to the Indiana State Board of Accounts and Daviess County Auditor, itemizing the number of hours expended by each category of employees set forth in Exhibit A."

"The Corporation shall submit invoices to Daviess County for the services performed on a periodic basis, not more often than monthly, utilizing claim forms acceptable to the Indiana State Board of Accounts and Daviess County Auditor, itemizing the number of hours expended by each category of employees set forth in Exhibit A."

Exhibit A in both contracts specified the positions and hourly rates of employees as Executive Director, \$95 per hour; Engineer, \$75 per hour; and Administrative Assistant, \$24.50 per hour.

DAVIESS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Disbursement Documentation - Daviess-Martin County Joint Park*

The Board of County Commissioners and the County Auditor approved and processed disbursements to the West Boggs Foundation (Foundation) without adequate documentation to ensure the funds were spent for their intended uses. Three payments, totaling \$7,353, were made without supporting documentation to West Boggs Park Foundation. The Daviess-Martin County Joint Park (Park) had an agreement with the Foundation to perform administrative services for the park. The Foundation paid the park bills on behalf of the Park and submitted one monthly claim to the County Auditor for reimbursement of expenses paid on behalf of the Park and payment for services provided by the Foundation. Adequate supporting documentation for the amounts owed was not provided for audit by either the Foundation or the Park department.

*Criteria*

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

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

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

*Cause*

Management of the County had not established a proper system of internal control over contractual expenditures.

*Effect*

The failure to establish controls enabled noncompliance with the contracts to remain undetected.

*Views of Responsible Officials*

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

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2015-004 - CASH MANAGEMENT**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): 2015  
Pass-Through Entity: Indiana Department of Child Services

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The County Prosecuting Attorney's office's (Prosecutor) internal controls over claiming reimbursements from the program included the following procedures: the Monthly Expense Claim for Title IV-D forms were prepared by the Child Support Administrator and approved by the County Prosecutor before submission to the Indiana Department of Child Services - Child Support Bureau (State).

The Prosecutor's internal controls were not operating effectively. Monthly Expense Claim for Title IV-D forms were submitted by the Prosecutor to the State in advance of the expenditures being paid by the County. The prosecutor's internal controls did not detect that the expenditures had not yet been paid by the County prior to claiming reimbursement.

The Prosecutor was including all claims submitted to the County Auditor's office for payment on the Monthly Expense Claim for Title IV-D forms instead of the actual claims paid by the County Auditor. As a result, the Monthly Expense Claim for Title IV-D forms included amounts owed by the County but not yet paid.

*Context*

This was a systematic problem as 5 of 36 Monthly Expense Claim for Title IV-D forms tested included expenditures that were paid subsequent to the date of the request for reimbursement.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.305(b)(3) states in part: "Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. . . ."

DAVIESS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

There was not an adequate internal control system in place to ensure compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance with the compliance requirements of the grant to remain undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish effective controls and implement procedures to comply with the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2015-005 - REPORTING**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): 2015  
Pass-Through Entity: Indiana Department of Child Services

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The County Prosecuting Attorney's office's (Prosecutor) internal controls over reporting program expenditures included the following procedures: Monthly Expense Claim for Title IV-D, Quarterly Incentive Expenditure Report for Title IV-D, and Quarterly Incentive Balance Form for Title IV-D reports were prepared by the Child Support Administrator and approved by the Prosecutor before submission to the Indiana Department of Child Services - Child Support Bureau (State).

The Prosecutor's internal controls did not detect that the Monthly Expense Claim for Title IV-D and Quarterly Incentive Expenditure Report for Title IV-D reports filed by the County to the state were not supported by the ledger maintained by the County Auditor.

The Monthly Expense Claim for Title IV-D and Quarterly Incentive Expenditure Report for Title IV-D reports were submitted by the Prosecutor to the state and included expenditures paid in advance of the reimbursement claims by the County.

DAVIESS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

This was a systematic problem as 7 of 52 tested Monthly Expense Claim for Title IV-D, Quarterly Incentive Expenditure Report for Title IV-D, and Quarterly Incentive Balance Form for Title IV-D reports did not agree with the County Auditor's ledger.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements . . .
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

*Cause*

There was not an adequate internal control system in place to ensure compliance with the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance with compliance requirements of the grant to remain undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish effective controls and implement procedures to comply with the grant agreement and the Reporting compliance requirement.

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.

# Auditor of Daviess County

**Patty Ball**

**Daviess County Courthouse**

200 East Walnut - Washington, IN 47501

Office (812) 254-8662

Fax (812) 254-8697

E-Mail auditor@daviess.org

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-001 INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency: if direct: NA

Contact Person Responsible for Corrective Action: Patricia K. Ball

Contact Phone Number: 812-254-8662

#### STATUS OF AUDIT FINDING:

Corrective measures included tracking each grant with EFT notices. A spreadsheet was utilized in an effort to identify EFT Federal dollars, a separate spreadsheet was utilized in a similar fashion to track the IV-D grant dollars specifically the allocation of funds. Much effort has been put into complying with reporting requirements. I anticipate changes to be complete by January 2018 reporting.

*Patricia K. Ball*  
\_\_\_\_\_  
(Signature)

*Auditor*  
\_\_\_\_\_  
(Title)

*3/28/2017*  
\_\_\_\_\_  
(Date)

# Clerk of the Circuit Court

49th Judicial Circuit



Janice M. Williams

Courthouse – 200 E. Walnut Street

P.O. Box 739

Washington, IN 47501

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2014-002 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS REPORTING**

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Janice M. Williams

Contact Phone Number: 812-254-8690

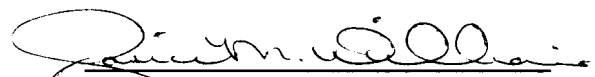
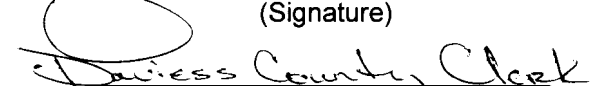
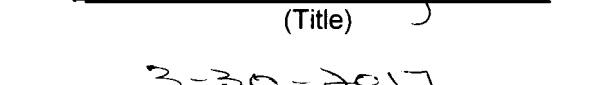
#### Status of Audit Finding:

I took immediate steps to implement more effective internal controls within our office. I have a Superior Court deputy clerk check out and balance the drawer of the Circuit Court side of the office each day and a Circuit Court deputy clerk checks out and balances the drawer of the Superior Court side each day. I have a deputy clerk who has not receipted in the ISETS system check out and balance that drawer each day and one of the deputy clerks puts the bank deposit together. I hand carry the bank deposit to the bank each day or one of the deputy clerks who has not been involved in any part of the checking out process for the day will take the deposit to the bank. We are also documenting on the deposit ticket when it comes back from the bank who took the deposit on that day.

Each day that checks are printed in the office, either myself or one of the deputy clerks will check the report against the checks to make sure it is correct before the checks are issued. We date and initial the report showing that it has been reviewed and is in agreement.

In balancing for each month on our trust and ISETS system, I am reviewing the statements and documenting in red the date and my initials showing that I am in agreement with the balancing for that month. I review and sign the report that is prepared for the Auditor each month and I also review and sign the report that is prepared for the State Auditor every six months. I also authorize the check being issued to the State Auditor as it is now done through an electronic funds transfer.

Much effort has been put into complying with reporting requirements and all of the above was implemented on February 10, 2017.

  
(Signature)  
  
(Title)  
  
(Date)

# Auditor of Daviess County

**Patty Ball**

**Daviess County Courthouse**

200 East Walnut - Washington, IN 47501

Office (812) 254-8662

Fax (812) 254-8697

E-Mail auditor@daviess.org

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-003 INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Fiscal year in which the finding initially occurred: 2014

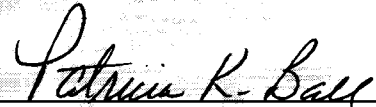
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Patricia K. Ball

Contact Phone Number: 812-254-8662

#### Status of Audit Finding:

Corrective measures include additional training for staff and implementing a process for contractual claims to review the language of contracts to confirm that the requirements of the contact agreement are being met. We will ask for the submission of the claim to be more frequent if there is a large amount of information to be reviewed. We will review the claims process with the Board of Commissioners to assist them with their responsibility as the final authority to pay or deny claims.



(Signature)



(Title)



(Date)

**BOARD OF  
DAVISS COUNTY COMMISSIONERS**

200 E. WALNUT STREET  
WASHINGTON, IN 47501

PHONE: 812-254-8662 FAX: 812-254-8697

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2014-003**

Fiscal year in which the finding initially occurred: 2014  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: NA  
Contact Person Responsible for Corrective Action: Nathan Gabhart  
Contact Phone Number: 812-259-1703

**Status of Audit Finding:**

Corrective measures include additional training for the board of commissioners to ensure they are aware of documentation needed to approve a claim. We will ask for the submission of claims to include all necessary documentation in order for claim approval.

Nathan Gabhart  
(Signature)

Commissioner, President  
(Title)

4-20-2017  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

# Auditor of Daviess County

**Patty Ball**

**Daviess County Courthouse**

200 East Walnut - Washington, IN 47501

Office (812) 254-8662

Fax (812) 254-8697

E-Mail auditor@daviess.org

## CORRECTIVE ACTION PLAN

### FINDING 2015-001 PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Patricia K Ball

Contact Phone Number 812-254-8662

Views of Responsible Official:

Description of Corrective Action Plan:

Controls are to be reviewed, additional communication with the departments receiving funds to develop a better awareness specifically in the reporting process, along with some procedural changes in receiving and posting the EFT's where Grants are concerned. Additional education on how to get the proper information when federal monies are received to help identify them properly for reporting purposes.

Anticipated Completion Date: Continual effort will be made to increase our accuracy in reporting the Grant responsibilities. Changes anticipated to be complete by January 2018 reporting.

Patricia K. Ball

(Signature)

Auditor

(Title)

3/23/2017

(Date)

# Clerk of the Circuit Court

49th Judicial Circuit



**Janice M. Williams**

Courthouse – 200 E. Walnut Street  
P.O. Box 739  
Washington, IN 47501

## CORRECTIVE ACTION PLAN

### **FINDING 2015-002 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS REPORTING**

Contact Person Responsible for Corrective Action: Janice M. Williams  
Contact Phone Number: 812-254-8690

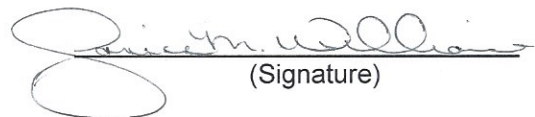
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: In regard to the Internal Controls Over Financial Transactions, I immediately took steps to implement more effective internal controls within our office. I have a Superior Court deputy clerk check out and balance the drawer of the Circuit Court side of the office each day and a Circuit Court deputy clerk checks out and balances the drawer of the Superior Court side each day. I have a deputy clerk who has not receipted in the ISETS system check out and balance that drawer each day and one of the deputy clerks puts the bank deposit together. I hand carry the bank deposit to the bank each day or one of the deputy clerks who has not been involved in any part of the checking out process for the day will take the deposit to the bank. We are also documenting on the deposit ticket when it comes back from the bank who took the deposit on that day.

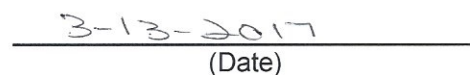
Each day that checks are printed in the office, either myself or one of the deputy clerks will check the report against the checks to make sure it is correct before the checks are issued. We date and initial the report showing that it has been reviewed and is in agreement.

In balancing for each month on our trust and ISETS system, I am reviewing the statements and documenting in red the date and my initials showing that I am in agreement with the balancing for that month. I review and sign the report that is prepared for the Auditor each month and I also review and sign the report that is prepared for the State Auditor every six months. I also authorize the check being issued to the State Auditor as it is now done through an electronic funds transfer.

Anticipated Completion Date: All of the above has been implemented as of February 10, 2017.

  
(Signature)

  
(Title)

  
(Date)

# Auditor of Daviess County

**Patty Ball**

## Daviess County Courthouse

200 East Walnut - Washington, IN 47501

Office (812) 254-8662

Fax (812) 254-8697

E-Mail auditor@daviess.org

### CORRECTIVE ACTION PLAN

#### **FINDING 2015-003**

Contact Person Responsible for Corrective Action: Patricia K Ball, Auditor

Contact Phone Number: 812-254-8662

#### Views of Responsible Official:

The Auditor's office paid these claims under the direction from the Daviess County Board of Commissioners. The claim/claims were reviewed and signed by the President of the Board of Commissioners at the time the claims were submitted. The process of claims was followed by the Auditor's office with the claim docket presentation for review by the Daviess County Board of Commissioners.

#### Description of Corrective Action Plan:

The claims process will be reviewed with the Commissioners. The Auditor's office will review contract language more closely when reviewing the submission of claims but ultimately as we do not have the authority to deny or pay said claims, will depend on the review of all claims submitted and the direction from the Commissioners to final authority as to payments made.

Anticipated Completion Date: January 2018

*Patricia K Ball*

(Signature)

*Auditor*

(Title)

*9-19-17*

(Date)

# BOARD OF DAVISS COUNTY COMMISSIONERS

200 E. WALNUT STREET  
WASHINGTON, IN 47501  
PHONE: 812-254-8662 FAX: 812-254-8697

## CORRECTIVE ACTION PLAN

### **FINDING 2015-003**

Contact Person Responsible for Corrective Action: Nathan Gabhart, President Daviess County BOC

Contact Phone Number: 812-259-1703

Views of Responsible Official: As a new commissioner in January 2015, I have voiced similar concerns with how these contracts have been administered and have voted against or abstained from approving the claims. The lack of documentation of services being rendered, the number of hours involved and the duplicity of the two contracts have been concerns of mine from my first awareness of the contracts existence. In regards to West Boggs Foundation Disbursement, I was unaware of these instances however will take immediate action to remedy them.

Description of Corrective Action Plan: I have asked the DCEDC/F a number of times, and have shown them examples of other Counties, to present more documentation to the Commissioners in order to ensure the Scopes of Services are being rendered and more importantly the return on investment from those services. Unfortunately, this has yet to be done. Going forward, the corrective action needs to entail:

1. Proper chain of Command
  - DCEDC/F must present the proper documentation to the Commissioners in a public meeting for claim approval.
  - DCEDC/F should not seek approval from the Council for contracts with the County, since this is a Commissioner responsibility. The funds have already been appropriated by the Council therefore the commissioners should be the final authority.
2. Documentation provided to the commissioners, at a minimum should be the final authority.
  - Detailed list of activities and hourly rates (similar to an attorney bill)
3. Current duplicate contracts with the DCEDC/F have been terminated.

West Boggs Foundation Disbursement: Ensure all supporting documentation is included for claim approval.

Anticipated Completion Date: January 2018

Nathan Golbach  
(Signature)

President, Commission  
(Title)

9-19-17  
(Date)

# STATE OF INDIANA

CRIMINAL/TRAFFIC DIVISION

Telephone: (812) 254-8673

Fax: (812) 254-8687

PROSECUTING ATTORNEY

49<sup>th</sup> JUDICIAL CIRCUIT

Daviess County, Indiana

200 East Walnut Street, Suite B03

Washington, IN 47501

CHILD SUPPORT DIVISION

Telephone: (812) 254-8680

Fax: (812) 254-8646

**DANIEL S. MURRIE**

Prosecutor

**DONITA M. FARR**

Chief Deputy Prosecutor

**J. DAVID LETT**

Deputy Prosecutor

**JENNIFER L. JOHNSON**

Deputy Prosecutor

## CORRECTIVE ACTION PLAN

### FINDING 2015-004 CASH MANAGEMENT

Contact Person Responsible for Correction Action: Rechel Wilz, IV-D Administrator

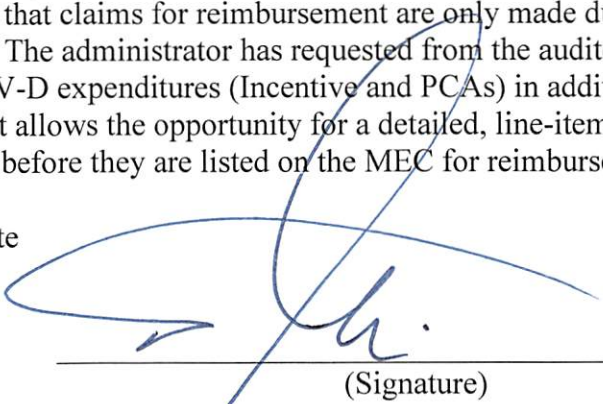
Contact Phone Number: (812) 254-8680

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In previous years, our office submitted claims for reimbursement the month they were submitted to the auditor. It is now recognized that claims should only be listed on the MEC when they are actually paid by the auditor, regardless of the month in which the IV-D office submitted them. Sometime around the summer of 2015, the state child support financial group contacted our office and brought this issue to our attention. For months that the MEC did not match the auditor's records, prior month adjustments were completed. Since that time, our procedures have been adjusted to ensure that claims for reimbursement are only made during the month claims were paid by the auditor. The administrator has requested from the auditor, a Transaction History Listing Report for IV-D expenditures (Incentive and PCAs) in addition to the Budgetary Status Report. This report allows the opportunity for a detailed, line-item confirmation that claims have been paid before they are listed on the MEC for reimbursement.

Anticipated Completion Date: Immediate

  
\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
Prosecutor  
(Title)  
\_\_\_\_\_  
09.19.2017  
(Date)

# STATE OF INDIANA

CRIMINAL/TRAFFIC DIVISION

Telephone: (812) 254-8673  
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**PROSECUTING ATTORNEY**

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Chief Deputy Prosecutor

**J. DAVID LETT**  
Deputy Prosecutor

**JENNIFER L. JOHNSON**  
Deputy Prosecutor

## CORRECTIVE ACTION PLAN

### FINDING 2015-005 REPORTING

Contact Person Responsible for Correction Action: Rechel Wilz, IV-D Administrator  
Contact Phone Number: (812) 254-8680

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

This finding is directly related to Finding 2015-003. There were a number of instances where the reimbursement claims made by the office did not agree with the ledger maintained with the auditor for the reason that our office was claiming reimbursement for expenses according to the date claims were submitted to the auditor, despite the fact that those were sometimes not paid until the following month. It is now recognized that claims should only be listed on the MEC when they are actually paid by the auditor, regardless of the month in which the IV-D office submitted them. Sometime around the summer of 2015, the state child support financial group contacted our office and brought this issue to our attention. For months that the MEC did not match the state records, prior month adjustments were completed. Since that time, our procedures have been adjusted to ensure that claims for reimbursement are only made during the month claims have been paid by the auditor. The administrator has requested from the auditor, a Transaction History Listing Report for IV-D expenditures (Incentive and PCAs) in addition to the Budgetary Status Report. This report allows the opportunity for a detailed, line-item confirmation that claims have been paid before they are listed on the MEC for reimbursement.

Anticipated Completion Date: Immediate



(Signature)

Prosecutor

(Title)

04.19.2017

(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.