

**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, 2018 to December 31, 2018



**FILED**  
09/10/2019



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia K. Ball	01-01-15 to 12-31-22
County Treasurer	Elaine Wellman	01-01-15 to 12-31-22
Clerk of the Circuit Court	Janice Williams	01-01-15 to 12-31-22
County Sheriff	Jerry Harbstreit Gary Allison	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Recorder	Jamie Chapman	01-01-15 to 12-31-22
President of the Board of County Commissioners	Nathan Gabhart	01-01-18 to 12-31-19
President of the County Council	Mike Myers Mike Sprinkle	01-01-18 to 12-31-18 01-01-19 to 12-31-19



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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, 2018, 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 (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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, 2018.

***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, 2018, 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 August 13, 2019, 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 solely 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 effectiveness of the County's 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

August 13, 2019



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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, 2018, and the related notes to the financial statement, and have issued our report thereon dated August 13, 2019, 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 item 2018-001, that we consider to be a material weakness.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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

August 13, 2019

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

DAVISS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
Sheriff's Inmate Trust	\$ 19,496	\$ 934,979	\$ 918,135	\$ 36,340
Jail Commissary	23,745	169,119	153,884	38,980
Clerk's Trust	989,269	2,356,429	2,289,956	1,055,742
General	12,342,581	15,871,051	18,874,072	9,339,560
Accident Report	16,525	829	-	17,354
Aviation	1,149,273	312,062	307,159	1,154,176
CEDIT County Share	1,445,411	1,135,187	747,963	1,832,635
LIT - Special Purpose	232,800	-	2,090	230,710
City and Town Court Costs	47,910	8,949	-	56,859
Clerk's Records Perpetuation	67,152	23,969	-	91,121
Community Corrections	103,939	322,126	356,750	69,315
Community Transition Program	17,768	2,100	17,705	2,163
Convention Visitor and Tourism Promotion	-	184,526	184,526	-
Sales Disclosure - County Share	57,376	4,085	-	61,461
Cumulative Bridge	3,029,460	2,422,909	2,650,117	2,802,252
Cumulative Capital Development	2,434,594	347,753	72,000	2,710,347
Drug Free Community	35,904	32,073	32,731	35,246
Emergency Planning/Right To Know	10,803	4,105	12,269	2,639
Firearms Training	11,077	8,020	163	18,934
Health	414,461	527,269	580,627	361,103
Identification Security Protection	16,156	4,869	12,258	8,767
Levy Excess	121	-	-	121
Local Road and Street	122,844	434,347	-	557,191
Misdemeanant	66,467	19,631	14,762	71,336
Motor Vehicle Highway	5,036,990	5,073,994	5,390,839	4,720,145
Rainy Day	1,982,765	-	-	1,982,765
Recorder's Records Perpetuation	476,235	87,253	48,696	514,792
Riverboat	633,629	180,312	500,000	313,941
Sheriff's Pension Trust	189	23,879	24,068	-
Supplemental Public Defender Services	104,236	62,090	22,660	143,666
Surplus Tax	2	17,267	17,137	132
Surveyor's Corner Perpetuation	45,607	24,240	-	69,847
Tax Sale Fees	2,573	-	-	2,573
Tax Sale Redemption	988	31,824	21,649	11,163
Tax Sale Surplus	130,624	639,386	116,141	653,869
GAL/CASA	68,966	40,146	26,012	83,100
Auditors Ineligible Deductions	72,746	13,010	9,558	76,198
County Elected Officials Training	14,350	4,869	150	19,069
County Offender Transportation Fund	2,813	187	-	3,000
Statewide 911	665,156	410,674	129,889	945,941
Juvenile Probation Administrative	127,337	5,338	4,910	127,765
Supplemental Adult Probation Services	648,677	93,588	57,118	685,147
Law Enforcement Continuing Education	47,866	6,038	6,038	47,866
Drainage Maintenance	235,184	93,884	44,206	284,862
Drug Buy Money	17,754	726	870	17,610
Donation - Strategic Response Unit	2,246	-	-	2,246
TIF Capital Projects - South Washington	2,901	-	2,901	-
Self Insurance Fund	319,935	2,860,539	2,962,065	218,409
Payroll Clearing	40,339	3,717,015	3,728,924	28,430
Settlement	-	20,177,865	20,177,865	-
Wheel Tax	-	759,060	759,060	-
CVET Agency	-	288,307	288,307	-
Sewage Collections	-	17,218	17,218	-
Financial Institution Tax	-	171,765	171,765	-
LIT Property Tax Relief	50,948	1,597,494	1,608,523	39,919
State Fines and Forfeitures	2,455	1	2,456	-
Infraction Judgments	1,551	16,955	17,903	603
Special Death Benefit	270	2,917	3,002	185
Sales Disclosure - State Share	355	4,085	4,025	415
Coroners Training & Continuing Education	188	3,975	3,828	335

DAVISS COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
Interstate Compact - State Share	-	188	188	-
Mortgage Recording Fees - State Share	225	2,688	2,693	220
Education Plate Fees Agency	-	300	300	-
Riverboat Revenue Sharing	423	187,480	187,480	423
County LOIT 2016 Special Distribution	651,604	-	148,036	503,568
LIT Certified Shares	-	6,350,559	6,350,559	-
LIT EDIT	-	1,597,494	1,597,494	-
93.563 Prosecutor PCA	1,568	698	290	1,976
93.563 Title IV-D Incentive	65,867	14,457	13,600	66,724
93.563 Prosecutor IV-D Incentive - Post Oct '99	130,690	21,748	8,842	143,596
93.563 Clerk IV-D Incentive - Post Oct '99	71,335	14,457	9,130	76,662
Public Health Emergency Response	206	-	-	206
Airport Improvement	14,063	279	-	14,342
Emergency Management Performance	(6,495)	124,101	121,556	(3,950)
Sheriff Federal Enforcement	6,648	1,128	-	7,776
Prosecutor Federal Enforcement	8,680	-	-	8,680
Community Corrections Grant	(111,576)	555,213	613,917	(170,280)
Local Health Maintenance Grant	63,050	33,139	17,662	78,527
L.H.D. Trust Account	28,569	20,153	20,153	28,569
Boater Safety Education	2,179	10,000	10,398	1,781
Shoreline Stabilization Grant	94	-	94	-
Adult Protective Services	(29,913)	180,246	179,610	(29,277)
Daviess County Park Board	2,119	-	-	2,119
Sheriff Law Enforcement Continuing Education Program	1,833	1,170	2,532	471
Community Corrections Project Income	75,785	120,270	152,894	43,161
West Boggs	26,981	1,040,786	1,057,711	10,056
West Boggs Donation Fund	3,189	-	-	3,189
Park Non-Reverting Capital	74,413	67,509	69,007	72,915
TIF Capital Projects - GPC Redevelopment	41,252	1,427,974	784,174	685,052
TIF Capital Projects - Westgate	106,864	118,560	104,213	121,211
Donations - Training Dog	8	100	48	60
Jury Fee	66,003	5,051	-	71,054
Pre-Trial Diversion Program Fee	191,826	133,115	114,935	210,006
Elnora Users Fees - Deferral	-	2,420	2,420	-
TIF Capital Projects - Legends	51,529	-	51,529	-
Treasurer	1,069,777	941,032	1,069,777	941,032
Prosecuting Attorney Trust	123	42,083	42,206	-
Reassessment - 2017	1,742,899	449,285	379,227	1,812,957
ARRA State Broadband Data and Development Grant	1,000	-	-	1,000
Commissioners Certificate Sale Fees	3,468	-	-	3,468
Certificate Sale Surplus	2,977	-	-	2,977
Daviess County Vaccine Program	34	-	-	34
Donations R.A.R.E Program	384	-	-	384
Local Road & Bridge Match	5,907	592,145	589,415	8,637
Lively Lakefront - Playground	18,109	83,697	101,262	544
Operation Pull Over Grant	670	4,452	5,253	(131)
Airport Runway Grant	775	5,692	5,691	776
Veteran Services Grant	449	-	449	-
Jail Treatment (Community Corrections)	(734)	19,319	3,668	14,917
Daviess County Annex Project Bond	-	3,086,660	1,921,246	1,165,414
D.C. Annex Project/County Portion	-	4,879,800	-	4,879,800
Washington Township Fire Station Grant	-	368,325	368,325	-
Airport Taxiway Grant	-	22,662	22,545	117
Daviess County Visitor's Bureau	151,444	193,056	194,113	150,387
<b>Totals</b>	<b>\$ 37,927,308</b>	<b>\$ 84,271,779</b>	<b>\$ 79,719,592</b>	<b>\$ 42,479,495</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 nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

*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,

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State statutes authorize the County to invest in securities including, but not limited to, 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) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the County authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the County authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

*Financial Report*

INPRS 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:

DAVISS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

*B. County Police Retirement Plan*

*Plan Description*

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

*Funding Policy*

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

*C. County Police Benefit Plan*

*Plan Description*

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

*Funding Policy*

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

DAVIESS COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the County were not received by December 31, 2018.

**Note 8. Restatements**

For the year ended December 31, 2018, a change has been made to the beginning balance of the financial statement to more appropriately reflect the financial activity of the County. Beginning January 1, 2018, the County was required to account for the financial activity of its tourism commission in its financial statement. The following schedule presents a summary of the restated beginning balance:

New Fund	Balance as of January 1, 2018
Daviness County Visitor's Bureau	\$ 151,444

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#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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.

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Sheriff's Inmate Trust	Jail Commissary	Clerk's Trust	General	Accident Report
Cash and investments - beginning	\$ 19,496	\$ 23,745	\$ 989,269	\$ 12,342,581	\$ 16,525
Receipts:					
Taxes	-	-	-	8,880,092	-
Licenses and permits	-	-	-	5,640	-
Intergovernmental receipts	-	-	-	4,686,874	-
Charges for services	-	-	-	1,454,557	829
Fines and forfeits	-	-	-	111,436	-
Other receipts	934,979	169,119	2,356,429	732,452	-
Total receipts	<u>934,979</u>	<u>169,119</u>	<u>2,356,429</u>	<u>15,871,051</u>	<u>829</u>
Disbursements:					
Personal services	-	-	-	9,982,258	-
Supplies	-	-	-	518,050	-
Other services and charges	-	-	-	2,573,471	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	5,117,142	-
Other disbursements	918,135	153,884	2,289,956	683,151	-
Total disbursements	<u>918,135</u>	<u>153,884</u>	<u>2,289,956</u>	<u>18,874,072</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>16,844</u>	<u>15,235</u>	<u>66,473</u>	<u>(3,003,021)</u>	<u>829</u>
Cash and investments - ending	<u>\$ 36,340</u>	<u>\$ 38,980</u>	<u>\$ 1,055,742</u>	<u>\$ 9,339,560</u>	<u>\$ 17,354</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Aviation	CEDIT County Share	LIT - Special Purpose	City and Town Court Costs	Clerk's Records Perpetuation
Cash and investments - beginning	\$ 1,149,273	\$ 1,445,411	\$ 232,800	\$ 47,910	\$ 67,152
Receipts:					
Taxes	120,183	1,135,187	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	11,321	-	-	-	-
Charges for services	180,492	-	-	-	-
Fines and forfeits	-	-	-	8,949	23,969
Other receipts	66	-	-	-	-
Total receipts	<u>312,062</u>	<u>1,135,187</u>	<u>-</u>	<u>8,949</u>	<u>23,969</u>
Disbursements:					
Personal services	88,367	-	-	-	-
Supplies	93,008	-	-	-	-
Other services and charges	123,278	98,862	2,090	-	-
Debt service - principal and interest	-	149,101	-	-	-
Capital outlay	890	500,000	-	-	-
Other disbursements	1,616	-	-	-	-
Total disbursements	<u>307,159</u>	<u>747,963</u>	<u>2,090</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,903</u>	<u>387,224</u>	<u>(2,090)</u>	<u>8,949</u>	<u>23,969</u>
Cash and investments - ending	<u>\$ 1,154,176</u>	<u>\$ 1,832,635</u>	<u>\$ 230,710</u>	<u>\$ 56,859</u>	<u>\$ 91,121</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Community Corrections	Community Transition Program	Convention Visitor and Tourism Promotion	Sales Disclosure - County Share	Cumulative Bridge
Cash and investments - beginning	\$ 103,939	\$ 17,768	\$ -	\$ 57,376	\$ 3,029,460
Receipts:					
Taxes	-	-	184,526	-	1,199,157
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	112,955
Charges for services	322,126	2,100	-	4,085	988,274
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	122,523
Total receipts	<u>322,126</u>	<u>2,100</u>	<u>184,526</u>	<u>4,085</u>	<u>2,422,909</u>
Disbursements:					
Personal services	171,233	5,961	-	-	167,815
Supplies	1,635	1,093	-	-	205,076
Other services and charges	181,963	10,651	184,526	-	115,740
Debt service - principal and interest	-	-	-	-	-
Capital outlay	157	-	-	-	2,161,486
Other disbursements	1,762	-	-	-	-
Total disbursements	<u>356,750</u>	<u>17,705</u>	<u>184,526</u>	<u>-</u>	<u>2,650,117</u>
Excess (deficiency) of receipts over disbursements	<u>(34,624)</u>	<u>(15,605)</u>	<u>-</u>	<u>4,085</u>	<u>(227,208)</u>
Cash and investments - ending	<u>\$ 69,315</u>	<u>\$ 2,163</u>	<u>\$ -</u>	<u>\$ 61,461</u>	<u>\$ 2,802,252</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Cumulative Capital Development	Drug Free Community	Emergency Planning/ Right To Know	Firearms Training	Health
Cash and investments - beginning	\$ 2,434,594	\$ 35,904	\$ 10,803	\$ 11,077	\$ 414,461
Receipts:					
Taxes	317,816	-	-	-	154,902
Licenses and permits	-	-	-	8,020	-
Intergovernmental receipts	29,937	-	-	-	17,091
Charges for services	-	-	4,105	-	335,123
Fines and forfeits	-	32,073	-	-	-
Other receipts	-	-	-	-	20,153
Total receipts	<u>347,753</u>	<u>32,073</u>	<u>4,105</u>	<u>8,020</u>	<u>527,269</u>
Disbursements:					
Personal services	-	4,500	-	-	292,267
Supplies	-	-	-	-	9,961
Other services and charges	-	28,231	9,331	-	26,318
Debt service - principal and interest	-	-	-	-	-
Capital outlay	72,000	-	2,938	-	3,491
Other disbursements	-	-	-	163	248,590
Total disbursements	<u>72,000</u>	<u>32,731</u>	<u>12,269</u>	<u>163</u>	<u>580,627</u>
Excess (deficiency) of receipts over disbursements	<u>275,753</u>	<u>(658)</u>	<u>(8,164)</u>	<u>7,857</u>	<u>(53,358)</u>
Cash and investments - ending	<u>\$ 2,710,347</u>	<u>\$ 35,246</u>	<u>\$ 2,639</u>	<u>\$ 18,934</u>	<u>\$ 361,103</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Identification Security Protection	Levy Excess	Local Road and Street	Misdemeanant	Motor Vehicle Highway
Cash and investments - beginning	\$ 16,156	\$ 121	\$ 122,844	\$ 66,467	\$ 5,036,990
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	146,600
Intergovernmental receipts	-	-	434,347	-	4,377,267
Charges for services	4,869	-	-	-	500,697
Fines and forfeits	-	-	-	-	527
Other receipts	-	-	-	19,631	48,903
Total receipts	<u>4,869</u>	<u>-</u>	<u>434,347</u>	<u>19,631</u>	<u>5,073,994</u>
Disbursements:					
Personal services	-	-	-	14,762	1,313,997
Supplies	-	-	-	-	2,465,980
Other services and charges	12,258	-	-	-	283,115
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,327,747
Other disbursements	-	-	-	-	-
Total disbursements	<u>12,258</u>	<u>-</u>	<u>-</u>	<u>14,762</u>	<u>5,390,839</u>
Excess (deficiency) of receipts over disbursements	<u>(7,389)</u>	<u>-</u>	<u>434,347</u>	<u>4,869</u>	<u>(316,845)</u>
Cash and investments - ending	<u>\$ 8,767</u>	<u>\$ 121</u>	<u>\$ 557,191</u>	<u>\$ 71,336</u>	<u>\$ 4,720,145</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Rainy Day	Recorder's Records Perpetuation	Riverboat	Sheriff's Pension Trust	Supplemental Public Defender Services
Cash and investments - beginning	\$ 1,982,765	\$ 476,235	\$ 633,629	\$ 189	\$ 104,236
Receipts:					
Taxes	-	-	180,312	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	83,380	-	2,970	-
Fines and forfeits	-	-	-	20,909	62,090
Other receipts	-	3,873	-	-	-
Total receipts	-	87,253	180,312	23,879	62,090
Disbursements:					
Personal services	-	9,375	-	-	22,660
Supplies	-	-	-	-	-
Other services and charges	-	39,321	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	500,000	-	-
Other disbursements	-	-	-	24,068	-
Total disbursements	-	48,696	500,000	24,068	22,660
Excess (deficiency) of receipts over disbursements	-	38,557	(319,688)	(189)	39,430
Cash and investments - ending	\$ 1,982,765	\$ 514,792	\$ 313,941	\$ -	\$ 143,666

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Surplus Tax	Surveyor's Corner Perpetuation	Tax Sale Fees	Tax Sale Redemption	Tax Sale Surplus
Cash and investments - beginning	\$ 2	\$ 45,607	\$ 2,573	\$ 988	\$ 130,624
Receipts:					
Taxes	17,267	-	-	31,824	639,386
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	24,240	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>17,267</u>	<u>24,240</u>	<u>-</u>	<u>31,824</u>	<u>639,386</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	17,137	-	-	21,649	116,141
Total disbursements	<u>17,137</u>	<u>-</u>	<u>-</u>	<u>21,649</u>	<u>116,141</u>
Excess (deficiency) of receipts over disbursements	<u>130</u>	<u>24,240</u>	<u>-</u>	<u>10,175</u>	<u>523,245</u>
Cash and investments - ending	<u>\$ 132</u>	<u>\$ 69,847</u>	<u>\$ 2,573</u>	<u>\$ 11,163</u>	<u>\$ 653,869</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	<u>GAL/CASA</u>	<u>Auditors Ineligible Deductions</u>	<u>County Elected Officials Training</u>	<u>County Offender Transportation Fund</u>	<u>Statewide 911</u>
Cash and investments - beginning	\$ 68,966	\$ 72,746	\$ 14,350	\$ 2,813	\$ 665,156
Receipts:					
Taxes	-	12,299	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	24,847	-	-	-	350,160
Charges for services	-	-	4,869	-	60,467
Fines and forfeits	500	711	-	187	-
Other receipts	14,799	-	-	-	47
Total receipts	<u>40,146</u>	<u>13,010</u>	<u>4,869</u>	<u>187</u>	<u>410,674</u>
Disbursements:					
Personal services	-	6,413	-	-	70,000
Supplies	2,295	-	-	-	-
Other services and charges	16,747	3,137	-	-	14,465
Debt service - principal and interest	-	-	-	-	-
Capital outlay	6,970	-	-	-	45,424
Other disbursements	-	8	150	-	-
Total disbursements	<u>26,012</u>	<u>9,558</u>	<u>150</u>	<u>-</u>	<u>129,889</u>
Excess (deficiency) of receipts over disbursements	<u>14,134</u>	<u>3,452</u>	<u>4,719</u>	<u>187</u>	<u>280,785</u>
Cash and investments - ending	<u>\$ 83,100</u>	<u>\$ 76,198</u>	<u>\$ 19,069</u>	<u>\$ 3,000</u>	<u>\$ 945,941</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Juvenile Probation Administrative	Supplemental Adult Probation Services	Law Enforcement Continuing Education	Drainage Maintenance	Drug Buy Money
Cash and investments - beginning	\$ 127,337	\$ 648,677	\$ 47,866	\$ 235,184	\$ 17,754
Receipts:					
Taxes	-	-	-	93,884	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	5,338	93,588	6,038	-	-
Other receipts	-	-	-	-	726
Total receipts	5,338	93,588	6,038	93,884	726
Disbursements:					
Personal services	-	22,089	-	-	-
Supplies	-	4,192	-	-	-
Other services and charges	4,910	23,288	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	7,519	-	-	-
Other disbursements	-	30	6,038	44,206	870
Total disbursements	4,910	57,118	6,038	44,206	870
Excess (deficiency) of receipts over disbursements	428	36,470	-	49,678	(144)
Cash and investments - ending	\$ 127,765	\$ 685,147	\$ 47,866	\$ 284,862	\$ 17,610

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Donation - Strategic Response Unit	TIF Capital Projects - South Washington	Self Insurance Fund	Payroll Clearing	Settlement
Cash and investments - beginning	\$ 2,246	\$ 2,901	\$ 319,935	\$ 40,339	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	2,860,539	3,717,015	20,177,865
Total receipts	-	-	2,860,539	3,717,015	20,177,865
Disbursements:					
Personal services	-	-	2,962,065	-	-
Supplies	-	-	-	-	-
Other services and charges	-	2,901	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	3,728,924	20,177,865
Total disbursements	-	2,901	2,962,065	3,728,924	20,177,865
Excess (deficiency) of receipts over disbursements	-	(2,901)	(101,526)	(11,909)	-
Cash and investments - ending	\$ 2,246	\$ -	\$ 218,409	\$ 28,430	\$ -

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Wheel Tax	CVET Agency	Sewage Collections	Financial Institution Tax	LIT Property Tax Relief
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 50,948
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	759,060	288,307	-	171,765	-
Charges for services	-	-	17,218	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	1,597,494
Total receipts	<u>759,060</u>	<u>288,307</u>	<u>17,218</u>	<u>171,765</u>	<u>1,597,494</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	759,060	288,307	17,218	171,765	1,608,523
Total disbursements	<u>759,060</u>	<u>288,307</u>	<u>17,218</u>	<u>171,765</u>	<u>1,608,523</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(11,029)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,919</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	State Fines and Forfeitures	Infraction Judgments	Special Death Benefit	Sales Disclosure - State Share	Coroners Training & Continuing Education
Cash and investments - beginning	\$ 2,455	\$ 1,551	\$ 270	\$ 355	\$ 188
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	4,085	3,975
Fines and forfeits	1	16,955	2,917	-	-
Other receipts	-	-	-	-	-
Total receipts	<u>1</u>	<u>16,955</u>	<u>2,917</u>	<u>4,085</u>	<u>3,975</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	2,456	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	17,903	3,002	4,025	3,828
Total disbursements	<u>2,456</u>	<u>17,903</u>	<u>3,002</u>	<u>4,025</u>	<u>3,828</u>
Excess (deficiency) of receipts over disbursements	<u>(2,455)</u>	<u>(948)</u>	<u>(85)</u>	<u>60</u>	<u>147</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ 185</u>	<u>\$ 415</u>	<u>\$ 335</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Interstate Compact - State Share	Mortgage Recording Fees - State Share	Education Plate Fees Agency	Riverboat Revenue Sharing	County LOIT 2016 Special Distribution
Cash and investments - beginning	\$ -	\$ 225	\$ -	\$ 423	\$ 651,604
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	187,480	-
Charges for services	-	2,688	-	-	-
Fines and forfeits	188	-	-	-	-
Other receipts	-	-	300	-	-
Total receipts	<u>188</u>	<u>2,688</u>	<u>300</u>	<u>187,480</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	148,036
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	188	2,693	300	187,480	-
Total disbursements	<u>188</u>	<u>2,693</u>	<u>300</u>	<u>187,480</u>	<u>148,036</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(148,036)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 423</u>	<u>\$ 503,568</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	LIT Certified Shares	LIT EDIT	93.563 Prosecutor PCA	93.563 Title IV-D Incentive	93.563 Prosecutor IV-D Incentive - Post Oct '99
Cash and investments - beginning	\$ -	\$ -	\$ 1,568	\$ 65,867	\$ 130,690
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	6,350,559	1,597,494	-	-	-
Charges for services	-	-	698	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	14,457	21,748
Total receipts	<u>6,350,559</u>	<u>1,597,494</u>	<u>698</u>	<u>14,457</u>	<u>21,748</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	6,350,559	1,597,494	290	13,600	8,842
Total disbursements	<u>6,350,559</u>	<u>1,597,494</u>	<u>290</u>	<u>13,600</u>	<u>8,842</u>
Excess (deficiency) of receipts over disbursements	-	-	408	857	12,906
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,976</u>	<u>\$ 66,724</u>	<u>\$ 143,596</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	93.563 Clerk IV-D Incentive - Post Oct '99	Public Health Emergency Response	Airport Improvement	Emergency Management Performance	Sheriff Federal Enforcement
Cash and investments - beginning	\$ 71,335	\$ 206	\$ 14,063	\$ (6,495)	\$ 6,648
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	279	-	-
Charges for services	-	-	-	124,101	-
Fines and forfeits	-	-	-	-	-
Other receipts	14,457	-	-	-	1,128
Total receipts	14,457	-	279	124,101	1,128
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	1,950	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	121,556	-
Other disbursements	7,180	-	-	-	-
Total disbursements	9,130	-	-	121,556	-
Excess (deficiency) of receipts over disbursements	5,327	-	279	2,545	1,128
Cash and investments - ending	\$ 76,662	\$ 206	\$ 14,342	\$ (3,950)	\$ 7,776

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Prosecutor Federal Enforcement	Community Corrections Grant	Local Health Maintenance Grant	L.H.D. Trust Account	Boater Safety Education
Cash and investments - beginning	\$ 8,680	\$ (111,576)	\$ 63,050	\$ 28,569	\$ 2,179
Receipts:					
Taxes	-	258,195	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	20,153	10,000
Charges for services	-	-	33,139	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	297,018	-	-	-
Total receipts	-	555,213	33,139	20,153	10,000
Disbursements:					
Personal services	-	588,818	8,264	20,153	8,758
Supplies	-	4,966	2,699	-	1,374
Other services and charges	-	20,133	4,902	-	266
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	1,797	-	-
Total disbursements	-	613,917	17,662	20,153	10,398
Excess (deficiency) of receipts over disbursements	-	(58,704)	15,477	-	(398)
Cash and investments - ending	\$ 8,680	\$ (170,280)	\$ 78,527	\$ 28,569	\$ 1,781

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Shoreline Stabilization Grant	Adult Protective Services	Davieess County Park Board	Sheriff Law Enforcement Continuing Education Program	Community Corrections Project Income
Cash and investments - beginning	\$ 94	\$ (29,913)	\$ 2,119	\$ 1,833	\$ 75,785
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	180,246	-	-	-
Charges for services	-	-	-	-	120,270
Fines and forfeits	-	-	-	1,170	-
Other receipts	-	-	-	-	-
Total receipts	<u>-</u>	<u>180,246</u>	<u>-</u>	<u>1,170</u>	<u>120,270</u>
Disbursements:					
Personal services	-	168,072	-	2,532	125,786
Supplies	-	113	-	-	1,697
Other services and charges	-	11,425	-	-	23,135
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	992
Other disbursements	94	-	-	-	1,284
Total disbursements	<u>94</u>	<u>179,610</u>	<u>-</u>	<u>2,532</u>	<u>152,894</u>
Excess (deficiency) of receipts over disbursements	<u>(94)</u>	<u>636</u>	<u>-</u>	<u>(1,362)</u>	<u>(32,624)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (29,277)</u>	<u>\$ 2,119</u>	<u>\$ 471</u>	<u>\$ 43,161</u>

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	West Boggs	West Boggs Donation Fund	Park Non-Reverting Capital	TIF Capital Projects - GPC Redevelopment	TIF Capital Projects - Westgate
Cash and investments - beginning	\$ 26,981	\$ 3,189	\$ 74,413	\$ 41,252	\$ 106,864
Receipts:					
Taxes	-	-	-	1,427,974	118,560
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	1,039,550	-	67,509	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	1,236	-	-	-	-
Total receipts	<u>1,040,786</u>	<u>-</u>	<u>67,509</u>	<u>1,427,974</u>	<u>118,560</u>
Disbursements:					
Personal services	508,288	-	-	-	-
Supplies	86,057	-	-	-	-
Other services and charges	426,894	-	-	8,559	104,213
Debt service - principal and interest	-	-	-	775,615	-
Capital outlay	27,417	-	-	-	-
Other disbursements	9,055	-	69,007	-	-
Total disbursements	<u>1,057,711</u>	<u>-</u>	<u>69,007</u>	<u>784,174</u>	<u>104,213</u>
Excess (deficiency) of receipts over disbursements	<u>(16,925)</u>	<u>-</u>	<u>(1,498)</u>	<u>643,800</u>	<u>14,347</u>
Cash and investments - ending	<u>\$ 10,056</u>	<u>\$ 3,189</u>	<u>\$ 72,915</u>	<u>\$ 685,052</u>	<u>\$ 121,211</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Donations - Training Dog	Jury Fee	Pre-Trial Diversion Program Fee	Elnora Users Fees - Deferral	TIF Capital Projects - Legends
Cash and investments - beginning	\$ 8	\$ 66,003	\$ 191,826	\$ -	\$ 51,529
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	5,051	129,363	2,420	-
Other receipts	100	-	3,752	-	-
Total receipts	100	5,051	133,115	2,420	-
Disbursements:					
Personal services	-	-	51,625	-	-
Supplies	-	-	10,920	-	-
Other services and charges	-	-	35,387	-	51,529
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	14,468	-	-
Other disbursements	48	-	2,535	2,420	-
Total disbursements	48	-	114,935	2,420	51,529
Excess (deficiency) of receipts over disbursements	52	5,051	18,180	-	(51,529)
Cash and investments - ending	\$ 60	\$ 71,054	\$ 210,006	\$ -	\$ -

DAVIESS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Treasurer	Prosecuting Attorney Trust	Reassessment - 2017	ARRA State Broadband Data and Development Grant	Commissioners Certificate Sale Fees
Cash and investments - beginning	\$ 1,069,777	\$ 123	\$ 1,742,899	\$ 1,000	\$ 3,468
Receipts:					
Taxes	-	-	387,256	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	36,478	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	941,032	42,083	25,551	-	-
Total receipts	941,032	42,083	449,285	-	-
Disbursements:					
Personal services	-	-	155,481	-	-
Supplies	-	-	4,491	-	-
Other services and charges	-	-	106,185	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	113,070	-	-
Other disbursements	1,069,777	42,206	-	-	-
Total disbursements	1,069,777	42,206	379,227	-	-
Excess (deficiency) of receipts over disbursements	(128,745)	(123)	70,058	-	-
Cash and investments - ending	\$ 941,032	\$ -	\$ 1,812,957	\$ 1,000	\$ 3,468

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Certificate Sale Surplus	Daviess County Vaccine Program	Donations R.A.R.E Program	Local Road & Bridge Match	Lively Lakefront - Playground
Cash and investments - beginning	\$ 2,977	\$ 34	\$ 384	\$ 5,907	\$ 18,109
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	592,145	83,697
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	-	592,145	83,697
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	589,415	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	101,262
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	589,415	101,262
Excess (deficiency) of receipts over disbursements	-	-	-	2,730	(17,565)
Cash and investments - ending	\$ 2,977	\$ 34	\$ 384	\$ 8,637	\$ 544

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Operation Pull Over Grant	Airport Runway Grant	Veteran Services Grant	Jail Treatment (Community Corrections)	Daviess County Annex Project Bond
Cash and investments - beginning	\$ 670	\$ 775	\$ 449	\$ (734)	\$ -
Receipts:					
Taxes	-	-	-	19,319	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	4,452	5,692	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	-	-	-	3,086,660
Total receipts	<u>4,452</u>	<u>5,692</u>	<u>-</u>	<u>19,319</u>	<u>3,086,660</u>
Disbursements:					
Personal services	5,253	-	-	3,399	-
Supplies	-	-	-	269	-
Other services and charges	-	5,691	-	-	290,855
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,630,391
Other disbursements	-	-	449	-	-
Total disbursements	<u>5,253</u>	<u>5,691</u>	<u>449</u>	<u>3,668</u>	<u>1,921,246</u>
Excess (deficiency) of receipts over disbursements	<u>(801)</u>	<u>1</u>	<u>(449)</u>	<u>15,651</u>	<u>1,165,414</u>
Cash and investments - ending	<u>\$ (131)</u>	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ 14,917</u>	<u>\$ 1,165,414</u>

DAVISS COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	D.C. Annex Project/ County Portion	Washington Township Fire Station Grant	Airport Taxiway Grant	Daviess County Visitor's Bureau	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 151,444	\$ 37,927,308
Receipts:					
Taxes	-	-	-	-	15,178,139
Licenses and permits	-	-	-	-	160,260
Intergovernmental receipts	-	368,325	22,662	-	20,723,593
Charges for services	-	-	-	-	5,386,416
Fines and forfeits	-	-	-	-	524,380
Other receipts	4,879,800	-	-	193,056	42,298,991
Total receipts	<u>4,879,800</u>	<u>368,325</u>	<u>22,662</u>	<u>193,056</u>	<u>84,271,779</u>
Disbursements:					
Personal services	-	-	-	-	16,780,191
Supplies	-	-	-	-	3,413,876
Other services and charges	-	-	22,545	-	5,608,179
Debt service - principal and interest	-	-	-	-	924,716
Capital outlay	-	368,325	-	-	12,123,245
Other disbursements	-	-	-	194,113	40,869,385
Total disbursements	<u>-</u>	<u>368,325</u>	<u>22,545</u>	<u>194,113</u>	<u>79,719,592</u>
Excess (deficiency) of receipts over disbursements	<u>4,879,800</u>	<u>-</u>	<u>117</u>	<u>(1,057)</u>	<u>4,552,187</u>
Cash and investments - ending	<u>\$ 4,879,800</u>	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 150,387</u>	<u>\$ 42,479,495</u>

DAVISS COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 419,936</u>	<u>\$ 393,587</u>

DAVISS COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Enterpise FM Trust	2017 Chrysler Sedan	\$ 5,580	8/26/2016	8/26/2021
Ronald L. Seal	Real Estate Lease Rental	3,600	8/12/2013	9/1/2019
Dav. Co. Economic Dev. Found. Inc	Economic Development	191,000	9/29/2011	2/1/2026
Caterpillar Financial Services Corporation	2016 140M3Grader SN 0729 & 0731	53,388	11/1/2016	1/11/2020
Caterpillar Financial Services Corporation	2018 CAT Wheeled Loader	24,874	7/1/2018	7/1/2023
Caterpillar Financial Services Corporation	2014 M316D Cat Excavator SN 0338	<u>90,000</u>	6/1/2014	8/1/2019
Total governmental activities		<u>368,442</u>		
Total of annual lease payments		<u>\$ 368,442</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Economic Development Revenue Bonds Series 2014	\$ 1,775,000	\$ 524,911
Revenue bonds	Local Income Tax Revenue Bonds Series 2018	<u>2,825,000</u>	<u>302,448</u>
Total governmental activities		<u>4,600,000</u>	<u>827,359</u>
Totals		<u>\$ 4,600,000</u>	<u>\$ 827,359</u>

DAVISS COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2018

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 836,686
Infrastructure	105,750,143
Buildings	17,920,572
Improvements other than buildings	34,276,068
Machinery, equipment, and vehicles	8,127,709
Construction in progress	<u>7,900,000</u>
Total governmental activities	<u>174,811,178</u>
Total capital assets	<u><u>\$ 174,811,178</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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, 2018. 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.

***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, 2018.

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


**Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

  
Paul D. Joyce, CPA  
State Examiner

August 13, 2019

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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, 2018

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	Passed Through to Subrecipient	Total Federal Awards Expended
<b>Department of Housing and Urban Development</b>					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Washington Township Fire Station Grant	Indiana Office of Community and Rural Affairs	14.228	A192-18-PF-16-103	\$ 368,325	\$ 368,325
Total - Department of Housing and Urban Development				368,325	368,325
<b>Department of the Interior</b>					
Fish and Wildlife Cluster Wildlife Restoration and Basic Hunter Education Wildlife Restoration and Basic Hunter Education	Indiana Department of Natural Resources	15.611	2018	-	3,395
Total - Fish and Wildlife Cluster				-	3,395
Total - Department of the Interior				-	3,395
<b>Department of Justice</b>					
Equitable Sharing Program Sheriff Federal Enforcement	Direct grant	16.922	2018	-	1,128
Total - Department of Justice				-	1,128
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster Highway Planning and Construction Cannelburg Phase III Cannelburg Phase III Utilities Bridge Inspections	Indiana Department of Transportation	20.205	DES 1383329 DES 1383329 DES 1382190	- - -	313,440 35,295 46,986
Total - Highway Planning and Construction				-	395,721
Total - Highway Planning and Construction Cluster				-	395,721
Highway Safety Cluster State and Community Highway Safety Operation Pull Over	Indiana Criminal Justice Institute	20.600	D3-18-11870	-	4,452
Total - Highway Safety Cluster				-	4,452
Airport Improvement Program Airport Runway Airport Taxiway	Direct grant	20.106	AIP 3-18-0086-13 3-18-0086-017-2018	- -	5,450 22,662
Total - Airport Improvement Program				-	28,112
Interagency Hazardous Materials Public Sector Training and Planning Grants LEPC	Indiana Department of Homeland Security	20.703	FFY 18 HMEP	-	4,105
Total - Department of Transportation				-	432,390
<b>Department of Health and Human Services</b>					
Child Support Enforcement 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	2018 2018 2018 2018 2018 2018 2018	- - - - - - -	8,842 13,600 221,224 50,918 33,199 46,316 9,130
Total - Child Support Enforcement				-	383,229
Total - Department of Health and Human Services				-	383,229
<b>Department of Homeland Security</b>					
Boating Safety Financial Assistance Boater Safety Education	Indiana Department of Natural Resources	97.012	300LE1BOATGRT18	-	10,000
Emergency Management Performance Grants 2018 EMPG Salary Reimbursement	Indiana Department of Homeland Security	97.042	FFY 2018 EMPG	-	31,569
Homeland Security Grant Program Strategic Response Units Terrorism Enhancement	Indiana Department of Homeland Security	97.067	EMW-2017-SS-00003	-	123,926
Total - Department of Homeland Security				-	165,495
Total federal awards expended				\$ 368,325	\$ 1,353,962

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, 2018. 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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

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
14.228	Highway Planning and Construction Cluster	Unmodified
	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Unmodified

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2018-001**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Condition and Context*

There was a deficiency in the internal control system of the County related to financial transactions and reporting regarding cash and investments. The County Treasurer prepared monthly bank reconciliements as required. However, there was no evidence, such as sign-offs or other documentation, to indicate that an independent review, oversight, or approval process had been established to ensure the accuracy of those reconciliements.

DAVISS COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The lack of controls was a systemic issue throughout the audit period.

*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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

*Cause*

Management of the County had not established a proper system of internal control related to cash and investments.

*Effect*

The failure to establish a system of internal control could have enabled material misstatements or irregularities to occur and remain undetected.

*Views of Responsible Officials*

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

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

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

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

# TREASURER

of Daviess County

Elaine Wellman  
(812) 254-8677  
treasurer@daviess.org

## CORRECTIVE ACTION PLAN

### FINDING 2018-001

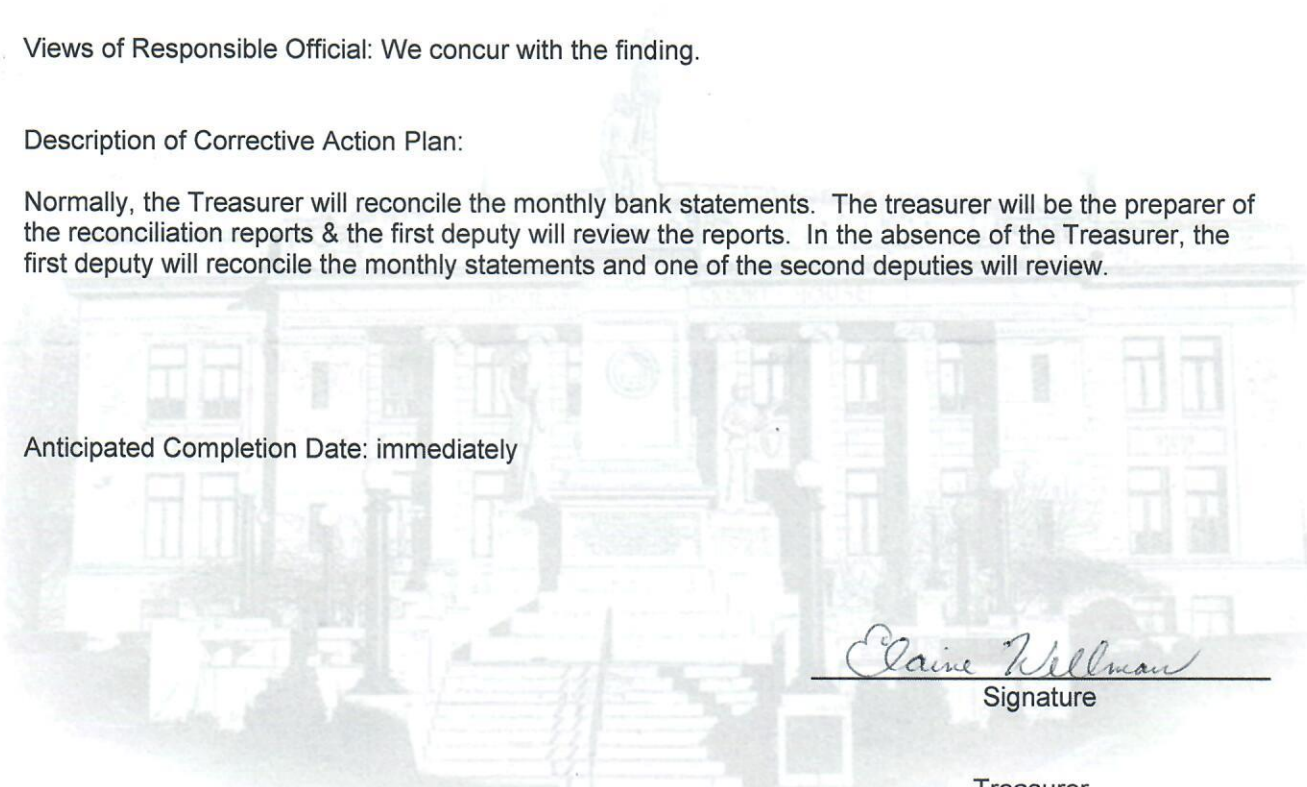
Contact Person Responsible for Corrective Action: Elaine Wellman  
Contact Phone Number: 812-254-8677

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

Normally, the Treasurer will reconcile the monthly bank statements. The treasurer will be the preparer of the reconciliation reports & the first deputy will review the reports. In the absence of the Treasurer, the first deputy will reconcile the monthly statements and one of the second deputies will review.

Anticipated Completion Date: immediately



*Elaine Wellman*

Signature

Treasurer

Title

July 16, 2019

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/>.