

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

EXAMINATION REPORT
OF
MONTGOMERY COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
05/03/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	R. Jeffrey Dossett	10-01-05 to 12-31-07
Treasurer	M. Sue Howell Donna Bowling	01-01-03 to 07-20-06 07-21-06 to 12-31-10
Clerk	Jennifer Bentley	10-01-05 to 12-31-08
Sheriff	Dennis Rice Luther Blanton	01-01-03 to 12-31-06 01-01-07 to 12-31-10
Recorder	Michelle Cash	01-01-05 to 12-31-08
President of the Board of County Commissioners	Phillip Bane William McCormick	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Terry Hockersmith Don Peterson	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of Montgomery County (County), for the period of January 1, 2006 to December 31, 2006. The County's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Financial transactions for the Sheriff's Pension and the Sheriff's Work Release funds were not available for inclusion in the financial statement.

In our opinion, except for the omission of the financial transactions for the Sheriff's Pension and Sheriff's Work Release funds, the financial information referred to above presents fairly, in all material respects, the financial information of the County for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 29, 2006

MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General Fund	\$ 2,199,272	\$ 15,398,297	\$ 14,453,463	\$ 3,144,106
County Highway	891,329	2,909,785	2,769,709	1,031,405
Local Road and Street	236,278	723,652	465,578	494,352
Family and Children Fund	1,379,112	3,560,318	3,006,059	1,933,371
Highway Wheel and Surtax Fund	157,522	616,779	565,008	209,293
Drug Task Force	3,187	-	149	3,038
Drainage Maintenance	244,364	303,044	341,064	206,344
Health Department	78,866	276,950	165,462	190,354
Juvenile Justice	166	-	-	166
County Police Pension	57,702	61,290	102,672	16,320
Accident Report	3,201	1,336	4,468	69
Firearms Training	9,400	6,759	6,455	9,704
Supplemental Juvenile Probation Services	29,263	21,005	4,122	46,146
Supplemental Adult Probation Services	290,683	162,169	89,390	363,462
Pretrial Diversion	47,129	58,969	55,850	50,248
Surveyor's Corner Perpetuation	12,516	10,317	-	22,833
County Alcohol and Drug	47,789	108,030	74,232	81,587
Clerk Incentive Fund	16,136	13,211	1,880	27,467
Title IV-D	242	308	550	-
Clerk Child Support Incentive	10,384	-	-	10,384
Prosecutor Incentive Fund	37,793	50,175	38,902	49,066
Hospital Fund	66,800	-	-	66,800
County Home Donation	24	-	24	-
County Extradition	2,326	-	-	2,326
Clerk's Records Perpetuation	16,117	14,592	21,138	9,571
Recorder's Records Perpetuation	57,947	42,899	61,337	39,509
Innkeepers Tax	38,981	161,363	124,941	75,403
Bond Administration Fee	138,414	25,936	-	164,350
County Corrections	168,998	71,925	220,715	20,208
County User Fee	64,443	66,120	73,723	56,840
Jury Pay Fund	2,829	-	-	2,829
Local Health Maintenance	45,922	96,872	101,572	41,222
Federal Motor Carrier	54,041	9,815	-	63,856
Hazardous Substance	4,134	10,061	5,651	8,544
Operation Pullover	3,079	3,000	3,978	2,101
Property Reassessment 94	677	-	677	-
Property Reassessment 97	-	400	400	-
Covered Bridge Maintenance	29,573	-	-	29,573
Plat Map	15,384	3,457	8,500	10,341
Guardian Ad Litem	228	3,261	2,929	560
Law Enforcement Continuing Education	15,883	16,009	14,222	17,670
County Drug Free Community	48,950	46,332	46,853	48,429
Drug Free Community Support #1	1,700	-	1,700	-
DARE Supplies	1,001	2,000	3,001	-
K-9 Gift Fund	3,051	3,351	1,563	4,839
Drug Investigation	1,044	-	-	1,044
DARE Program	(924)	1,026	77	25
County Emergency Telephone System	2,975	340,273	199,695	143,553
Sheriff's Special Donation	6,266	1,100	472	6,894
AHEAD State Incentive #1	2,084	-	2,084	-
Building Commission Stormwater Fees	31,141	5,520	1,240	35,421
Building Commission Electrical Fees	6,100	810	-	6,910
Building Commission Flood Fees	20,172	5,550	-	25,722
Mobile Video Grant	-	3,036	3,036	-
ISP Seized Funds	586	-	-	586
Wireless E911 Fund	160,786	140,203	224,224	76,765
Emergency Gas Award	550	-	-	550
Montgomery County Regional Sewer Board	26,800	15,000	24,038	17,762
Disclosure Fees	6	10,191	9,500	697
Interstate Compact Fee	112	300	-	412
Probation Administration Fee	28,878	31,651	26,738	33,791
Juvenile Probation Administration Fee	6,672	4,948	210	11,410
Change of Venue	146	-	-	146
Property Reassessment	481,401	115,096	284,466	312,031

The accompanying notes are an integral part of the schedules.

MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Interpreter Grant	2,635	3,500	19,922	(13,787)
Mini Meth Grant 1443	1	25	26	-
Circuit ADR	1,050	200	962	288
Superior ADR	3,279	559	-	3,838
Thinking for Change	1,030	-	-	1,030
Alternative Dispute Resolution	688	909	-	1,597
Probation Parent Project	-	446	-	446
County Corrections Misdemeanant	100,576	25,144	51,260	74,460
AHEAD State Incentive #2	611	-	611	-
Juvenile Justice Grant	3,035	-	3,035	-
Drug Free Community Support #2	2,452	-	2,452	-
Tobacco Settlement	23,596	59,900	18,576	64,920
Bioterrorism Grant	4,073	59,366	58,627	4,812
Probation Officer Grant	10,525	-	11,009	(484)
Sheriff Homeland Security Grant	70	-	-	70
EOC Homeland Security Grant	(14,108)	83,792	83,792	(14,108)
Pre-Disaster Mitigation Grant	16,000	-	16,000	-
Emergency Planning Grant	30	8,641	8,641	30
Coroner's Records	-	3	-	3
Toxicology Fees	-	450	-	450
Coroner's User Fees	-	1	-	1
IDENT Security Protection	-	15,203	-	15,203
County Subdivision	-	600	-	600
Courthouse Parking Lot Maintenance	-	575	-	575
Election Title III	-	54,800	54,800	-
Nucor Rail Spur Grant	-	63	-	63
NAACHO Grant	-	6,258	3,211	3,047
Probation Officer Grant #2	-	21,213	20,535	678
AFDC Local Planning	-	449	449	-
Autopsy Report	-	3	-	3
Prime for Life	571	-	-	571
Co Cprt- Child Psych	165,843	13,985	53,959	125,869
Law Enforcement Assistance	-	524	-	524
Sheriff's Commissary	21,024	68,606	77,054	12,576
Cumulative Bridge	1,160,280	621,288	854,235	927,333
General Drain Improvement	5,955	332,867	201,952	136,870
Cumulative Capital Development	2,983,143	1,441,812	1,375,648	3,049,307
Fiduciary Funds:				
Private Purpose Trust Fund:				
Congressional School Principal Pension Trust:				
Sheriff's Pension	23,081	-	-	23,081
Welfare Trust	1,966,277	-	-	1,966,277
Congressional School Interest	18,147	5,250	9,114	14,283
Surplus Tax	720	1,083	462	1,341
Tax Sale Redemption	149,257	77,529	80,893	145,893
Tax Sale Surplus	4,437	150,105	151,182	3,360
Tax Sale Costs	676,918	714,368	842,367	548,919
Surplus Dog Tax	39,460	25,967	41,723	23,704
State Fines and Forfeitures	2,696	3,881	6,577	-
Inheritance Tax	11,241	87,051	83,616	14,676
Fire Debt Equipment Townships	56,222	932,878	810,124	178,976
Special Education Preschool	-	39,872	39,872	-
Cumulative Fire Building/ Equipment	-	47,854	47,854	-
State Fair Board	447	413,133	413,133	447
State Forestry	-	16,259	16,259	-
Township Recreation	-	32,518	32,518	-
Township Firefighting	-	63,974	63,974	-
Education Plate Fees	-	309,749	309,749	-
Civil Defense	281	1,913	2,194	-
Corporation Tax	-	40,418	40,418	-
Street Tax	3	4,004,261	4,004,261	3
Park and Recreation	-	744,272	744,272	-
Police Pension Tax	-	1,041,128	1,041,128	-
	-	224,985	224,985	-

The accompanying notes are an integral part of the schedules.

MONTGOMERY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006
(Continued)

	Cash and Investments		Disbursements	Cash and Investments	
	01-01-06	Receipts		12-31-06	
Fiduciary Funds (continued):					
Fire Pension	-	385,727	385,727	-	-
TIF Settlement	-	577,925	577,925	-	-
Ambulance	-	2,811	2,811	-	-
Aviation	-	91,584	91,584	-	-
Parks	-	10,922	10,922	-	-
Little Raccoon	-	28,217	28,217	-	-
Lake Holiday	-	179,385	179,385	-	-
Extra Assessment Lake Holiday	-	48,975	48,975	-	-
Sewage Collection	-	16,619	16,619	-	-
Military Fines	115	-	-	-	115
Infraction Judgment	7,965	137,725	134,301	11,389	-
Wheel Tax	-	96,911	96,911	-	-
Surtax	-	585,075	585,075	-	-
Mechanics Lien	1,780	-	1,780	-	-
Cumulative Capital Development Towns	-	248,101	248,101	-	-
Family Violence	10,935	3,026	-	13,961	-
Excess Levy	19,743	32,035	51,778	-	-
County Option Income Tax	-	6,155,130	6,155,130	-	-
Children With Special Health Care Needs	166	36,416	36,204	378	-
County Hospital Care For the Indigent	929	187,227	185,747	2,409	-
Coroner's Education	194	1,894	2,024	64	-
Overweight Vehicle Fines	-	218	218	-	-
School Capital Project	-	4,875,474	4,875,474	-	-
Special Death Benefits	305	4,110	4,065	350	-
Medical Assistance to Wards	235	45,766	45,404	597	-
City and Town Court Costs	1,183	17,527	18,710	-	-
Financial Institution Tax	-	353,944	353,944	-	-
Payroll	(7,369)	5,799,950	5,706,344	86,237	-
Riverboat Revenue Sharing	-	236,792	236,792	-	-
Police Building Bonds	-	100,996	100,996	-	-
State Assessment Training	5,064	6,191	10,780	475	-
Township Tax	-	124,613	124,613	-	-
Library Tax	-	2,275,902	2,275,902	-	-
Transportation Tax	-	4,224,246	4,224,246	-	-
School Tax	-	15,029,975	15,029,975	-	-
School Debt Service	-	11,616,838	11,616,838	-	-
School Bus Replacement	-	434,864	434,864	-	-
School Pension	-	971,386	971,386	-	-
City Fines	3,989	4,699	-	8,688	-
Commercial Vehicle Excise Tax	-	314,000	314,000	-	-
Poor Relief	-	228,701	228,701	-	-
Corporation TIF Replacement	-	373,351	373,351	-	-
Clerk of Circuit Court	603,514	3,856,607	3,752,695	707,426	-
Sheriff's Inmate Trust	2,007	193,703	186,024	9,686	-
Probation Department	22,804	286,198	278,644	30,358	-
County Recorder	15,061	180,692	181,176	14,577	-
County Treasurer	957,729	72,106,096	72,344,915	718,910	-
County Sheriff	44,787	1,581,210	1,586,103	39,894	-
Sheriff's Work Release	9,414	-	-	9,414	-
County Health Department	75	63,862	60,951	2,986	-
Totals	<u>\$ 16,449,802</u>	<u>\$ 171,467,737</u>	<u>\$ 169,713,475</u>	<u>\$ 18,204,064</u>	

The accompanying notes are an integral part of the schedules.

MONTGOMERY COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The County was established under the laws of the State of Indiana. The County provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The County uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

MONTGOMERY COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The County contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

MONTGOMERY COUNTY
OTHER REPORTS

The report presented herein was prepared in addition to other official reports prepared for the individual county offices listed below:

County Auditor
County Sheriff

MONTGOMERY COUNTY
EXAMINATION RESULT AND COMMENT

QUALIFIED OPINION

Financial records for the Sheriff's Work Release were not maintained for 2006. The Sheriff's Department was unable to locate the trustee statements for the Sheriff's Pension fund for 2006. As a result, we were unable to include the financial transactions for these two funds in this report. The balances shown represent the examined balances as of December 31, 2005.

MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2007, with R. Jeffrey Dossett, Auditor; William McCormick, President of the Board of County Commissioners; Don Peterson, President of the County Council; and Michelle Cash, newly elected Auditor. The officials concurred with our finding.