

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

ANNUAL FINANCIAL REPORT

2007

MONTGOMERY COUNTY, INDIANA



FILED

09/18/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jeff Dosset Michelle R. Cash	01-01-07 to 10-15-07 10-16-07 to 12-31-10
Treasurer	Donna Bowling	01-01-07 to 12-31-10
Clerk	Jennifer Bentley	10-01-05 to 12-31-08
Sheriff	Luther J. Blanton	01-01-07 to 12-31-10
Recorder	Michelle R. Cash Kathy Traugher	01-01-05 to 10-15-07 10-16-07 to 12-31-08
President of the Board of County Commissioners	William McCormick Harry A. Siamas	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the County Council	Don Peterson James D. Fulwider	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the County prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2007, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated August 12, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Schedules of Funding Progress as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The County has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 12, 2008



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

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County (County), as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 12, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on August 12, 2008. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are 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.

This report is intended solely for the information and use of the County's management, County Council, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 12, 2008

MONTGOMERY COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Governmental Activities</u>	<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 8,504,479	\$ 319,011	\$ -	\$ -	\$ (8,185,468)
Public safety	6,970,251	793,670	-	-	(6,176,581)
Highways and streets	4,105,525	-	2,636,123	929,646	(539,756)
Sanitation	19,975	-	-	-	(19,975)
Health and welfare	4,029,736	54,257	70,076	-	(3,905,403)
Culture and recreation	923,593	705,011	-	-	(218,582)
Principal and interest on indebtedness	453,553	-	-	-	(453,553)
Total governmental activities	<u>\$ 25,007,112</u>	<u>\$ 1,871,949</u>	<u>\$ 2,706,199</u>	<u>\$ 929,646</u>	<u>(19,499,318)</u>
General receipts:					
Property taxes					1,687,018
Income taxes					3,089,579
Intergovernmental					869,697
Other local sources					7,361,827
Grants and contributions not restricted to specific programs					5,895,311
Investment earnings					996,339
Total general receipts					<u>19,899,771</u>
Change in net assets					400,453
Net assets - beginning					<u>13,633,800</u>
Net assets - ending					<u>\$ 14,034,253</u>
<u>Assets</u>					
Cash and investments					\$ 9,328,395
Restricted assets:					
Cash and investments					<u>4,705,858</u>
Total assets					<u>\$ 14,034,253</u>
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 1,534,986
Highways and streets					299,679
Health and welfare					1,579,254
Debt service					359,611
Capital outlay					932,328
Unrestricted					<u>9,328,395</u>
Total net assets					<u>\$ 14,034,253</u>

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

MONTGOMERY COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Highway	Family and Children	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 3,089,579	\$ -	\$ -	\$ 1,863,438	\$ 4,953,017
Special assessments	-	-	-	100,120	100,120
Intergovernmental	119,355	2,636,123	-	1,772,075	4,527,553
Charges for services	219,540	-	-	948,467	1,168,007
Fines and forfeits	409,746	-	-	194,076	603,822
Other	6,819,807	(269,306)	3,142,877	4,358,093	14,051,471
Total receipts	10,658,027	2,366,817	3,142,877	9,236,269	25,403,990
Disbursements:					
General government	6,505,423	-	-	1,053,153	7,558,576
Public safety	3,203,367	-	-	3,606,571	6,809,938
Highways and streets	93,201	2,264,526	-	1,215,203	3,572,930
Sanitation	-	-	-	19,975	19,975
Health and welfare	-	-	3,653,213	371,965	4,025,178
Culture and recreation	28,555	-	-	886,038	914,593
Debt service:					
Principal	324	-	-	453,229	453,553
Capital outlay:					
General government	50,310	-	-	895,593	945,903
Public safety	113,885	-	-	46,428	160,313
Highways and streets	-	-	-	532,595	532,595
Health and welfare	-	-	-	4,558	4,558
Culture and recreation	9,000	-	-	-	9,000
Total disbursements	10,004,065	2,264,526	3,653,213	9,085,308	25,007,112
Excess (deficiency) of receipts over disbursements	653,962	102,291	(510,336)	150,961	396,878
Other financing sources (uses):					
Transfers in	13,000	-	5,653	1,059,966	1,078,619
Transfers out	(44,828)	-	-	(1,033,791)	(1,078,619)
Other receipts	1,012	-	-	2,563	3,575
Total other financing sources (uses)	(30,816)	-	5,653	28,738	3,575
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	623,146	102,291	(504,683)	179,699	400,453
Cash and investment fund balance - beginning	3,144,106	1,031,405	1,933,371	7,524,918	13,633,800
Cash and investment fund balance - ending	<u>\$ 3,767,252</u>	<u>\$ 1,133,696</u>	<u>\$ 1,428,688</u>	<u>\$ 7,704,617</u>	<u>\$ 14,034,253</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 3,767,252	\$ -	\$ -	\$ 5,561,143	\$ 9,328,395
Restricted assets:					
Cash and investments	-	1,133,696	1,428,688	2,143,474	4,705,858
Total cash and investment assets - ending	<u>\$ 3,767,252</u>	<u>\$ 1,133,696</u>	<u>\$ 1,428,688</u>	<u>\$ 7,704,617</u>	<u>\$ 14,034,253</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Public safety	\$ -	\$ 1,133,696	\$ -	\$ 401,290	\$ 1,534,986
Highways and streets	-	-	-	299,679	299,679
Health and welfare	-	-	1,428,688	150,566	1,579,254
Debt service	-	-	-	359,611	359,611
Capital outlay	-	-	-	932,328	932,328
Unrestricted	3,767,252	-	-	5,561,143	9,328,395
Total cash and investment fund balance - ending	<u>\$ 3,767,252</u>	<u>\$ 1,133,696</u>	<u>\$ 1,428,688</u>	<u>\$ 7,704,617</u>	<u>\$ 14,034,253</u>

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

MONTGOMERY COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 28,130	\$ -	\$ -
Investment earnings:			
Interest	163,843	-	-
Dividends	3,955	-	-
Total investment earnings	<u>167,798</u>	<u>-</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>129,401,981</u>
Total additions	<u>195,928</u>	<u>-</u>	<u>129,401,981</u>
Deductions:			
Benefits	83,281	-	-
Refunds of contributions	235	-	-
Administrative and general	45,192	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>113,634,580</u>
Total deductions	<u>128,708</u>	<u>-</u>	<u>113,634,580</u>
Excess (deficiency) of total additions over total deductions	67,220	-	15,767,401
Cash and investment fund balance - beginning	<u>2,242,658</u>	<u>23,081</u>	<u>2,637,365</u>
Cash and investment fund balance - ending	<u>\$ 2,309,878</u>	<u>\$ 23,081</u>	<u>\$ 18,404,766</u>

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

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS

I. 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 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 County's financial reporting entity is composed of the following:

Primary Government: Montgomery County

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County appoints the board members of the Weights and Measures, Alcoholic Beverage Board, Clark Township Library, E911 Advisory Board, Montgomery County Solid Waste District, Montgomery County Economic Development, Montgomery County Tourism Commission, Crawfordsville Public Library, Darlington Public Library, Ladoga Public Library, Linden Public Library, and Waveland Public Library.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the County has not established any enterprise funds.

The County reports the following major governmental funds:

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The county highway fund accounts for financial resources set aside for the construction, maintenance and improvement of County roads.

The family and children fund accounts for federal, state and local funding set aside for the promotion of the welfare of children living in the County.

Additionally, the County reports the following fund types:

The pension trust funds account for the activities of the Sheriff's pension fund, which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the schools incorporated within the County.

Agency funds account for assets held by the County as an agent for federal and state agencies, insurance companies, inmates of the County jail, and persons due restitution.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The County does not have any enterprise or internal service funds.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the County submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the

MONTGOMERY COUNTY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the County receives approval of the Indiana Department of Local Government Finance.

The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2007, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2007
General	\$ 932,496
Highway	141,028
Local Road and Streets	566,619
Cumulative Bridge	125,681
 Total	 \$ 1,765,824

These disbursements were funded by available fund balance.

C. Cash and Investment Balance Deficits

At December 31, 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2007
Sewer Study 1	\$ 2,213
Probation Officer Grant No. 3	7,544
Interpreter Grant	14,674
Circuit ADR Fund	223

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the overspending of grant funds; these deficits are to be repaid from future receipts.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2007, the bank balance held at Morgan Stanley in the amount of \$2,309,878 was collateralized with securities held by the pledging financial institution. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The Sheriff's Merit Board has not established an investment policy for the Sheriff's Retirement and Benefit Pension Plan. As of December 31, 2007, the County had the following investments:

Investment Type	Primary Government Market Value	Sheriffs Retirement and Benefit Pension Plans
U.S. Treasuries	\$ -	\$ 180,757
U.S. Agencies Securities	-	273,325
Corporate securities	-	1,675,044
Mutual funds	-	95,116
Repurchase agreements	<u>6,781,724</u>	<u>-</u>
Totals	<u>\$ 6,781,724</u>	<u>\$ 2,415,565</u>

Investment Policies

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the County to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Sheriff's Pension Plan is not subject to the same investment laws as the County. The Sheriff's Merit Board has not adopted an investment policy for interest rate and credit risk.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy for custodial credit risk for investments. At December 31, 2007, the County held investments in repurchase agreements in the amount of \$6,781,724. Of these investments all were held by the counterparty's trust department or agent but not in the County's name.

The Sheriff's Merit Board has not adopted an investment policy for custodial credit risk for investments. At December 31, 2007, the Sheriff's Retirement and Benefit Pension Plans held investments in bonds and equities in the amount of \$2,320,449. Of these investments all are held by the investment's counterparty, not in the name of the Sheriff's Pension Plan.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County must follow state statute and limit the stated final maturities of the investments to no more than two years.

The Sheriff's Merit Board has not adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Repurchase agreements	\$ 6,781,724	\$ -	\$ -

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. Treasuries	\$ -	\$ 86,389	\$ 94,368
U.S. Agencies	-	95,243	178,082
Totals	\$ -	\$ 181,632	\$ 272,450

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments	
		Corporate Bonds	Government Sponsored Enterprise
AAA	Aaa	\$ 22,301	\$ 454,082
AA	Aa	69,062	-
A	A	89,711	-
BBB	Baa	10,249	5,438
Totals		\$ 191,323	\$ 459,520

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk. More than 5% of the Sheriff's Retirement and Benefit investments are in bonds and equities. These investments represent 19% and 77%, respectively, of the total investments.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>
General Fund	General Fund	\$ 13,000
General Fund	Family and Children Fund	5,653
General Fund	Other governmental funds	26,175
Other governmental funds	Other governmental funds	<u>1,033,791</u>
Total		<u>\$ 1,078,619</u>

The County typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent beginning balances restated due to records being unavailable in the prior audit.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2006</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2007</u>
Fiduciary	\$ 4,578,874	\$ 324,230	\$ 4,903,104
Other governmental	7,516,308	8,610	7,524,918

IV. Other Information

A. Risk Management

The County is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries To Employees

During 1990, the County joined with other governmental entities to form the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for 962 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries to employees. The County pays an annual premium to the risk pool for its job related illnesses and injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Related Party Transactions

During the period for which financial statements are presented, the County had material transactions with William McCormick, County Commissioner in relation to his job as a salesman for CPI, Incorporated, a manufacturer of culvert pipe, in the amount of \$221,771. The County also had material transactions with Denny Phillips, County Highway Employee in relation to his personal business as an excavator in the amount of \$143,754. As of December 31, 2007, no amounts were due to these contractors.

C. Holding Corporation

The County has entered into a capital lease with Montgomery County Jail Facility Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related party of the County. Lease payments during the year totaled \$1,331,900.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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 the 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 member's 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. The report may be obtained by contacting:

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 plan members for PERF are established by the Board of Trustees of PERF. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the County and the Utilities is not available.

b. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which 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. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

c. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which 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. 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 and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The County's annual pension cost and related information, as provided by the actuary, is presented in this note.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	County Police Retirement Plan	County Police Benefit Plan
Annual required contribution	\$ 219,069	\$ 88,895	\$ 8,570
Interest on net pension obligation	(31,432)	(417)	-
Adjustment to annual required contribution	35,819	698	-
Annual pension cost	223,456	89,176	8,570
Contributions made	206,468	88,895	8,570
Increase (decrease) in net pension obligation	16,988	281	-
Net pension obligation, beginning of year	(433,540)	(5,953)	-
Net pension obligation, end of year	\$ (416,552)	\$ (5,672)	\$ -

	PERF	County Police Retirement Plan	County Police Benefit Plan
Contribution rates:			
County	4.5%	13%	1%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-06	01-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level	Level	Level
	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

Actuarial Assumptions

Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	2%	0%

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-05	\$ 129,538	151%	\$ (413,995)
	06-30-06	167,901	112%	(433,540)
	06-30-07	223,456	92%	(416,552)
County Police Retirement Plan	12-31-04	85,569	100%	(6,189)
	12-31-05	92,555	100%	(5,953)
	12-31-06	89,176	100%	(5,672)
County Police Benefit Plan	12-31-04	10,470	100%	-
	12-31-05	10,117	100%	-
	12-31-06	8,570	100%	-

MONTGOMERY COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 2,849,278	\$ 2,466,080	\$ 383,198	116%	\$ 4,024,294	10%
07-01-06	2,651,659	2,413,237	238,422	110%	3,973,794	6%
07-01-07	3,023,021	2,739,757	283,264	110%	4,199,809	7%

County Police Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,712,204	\$ 1,712,204	-	100%	\$ 625,402	0%
01-01-05	1,818,316	1,818,316	-	100%	625,830	0%
01-01-06	2,007,630	2,007,630	-	100%	678,668	0%

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Local Road and Street	Accident Report	Firearms Training	Health	Alcohol and Drug Services	Emergency Medical Services /Ambulance
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	929,646	-	-	-	-	-
Charges for services	-	3,973	11,885	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	134,261	107,468	-
Total receipts	929,646	3,973	11,885	134,261	107,468	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	2,384	-	77,689	-
Highways and streets	675,211	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	173,178	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	449,108	-	-	1,200	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	1,124,319	-	2,384	174,378	77,689	-
Excess (deficiency) of receipts over disbursements	(194,673)	3,973	9,501	(40,117)	29,779	-
Other financing sources (uses):						
Transfers in	-	-	-	329	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	329	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(194,673)	3,973	9,501	(39,788)	29,779	-
Cash and investment fund balance - beginning	494,352	69	9,704	190,354	81,587	30
Cash and investment fund balance - ending	\$ 299,679	\$ 4,042	\$ 19,205	\$ 150,566	\$ 111,366	\$ 30
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 4,042	\$ 19,205	\$ -	\$ 111,366	\$ 30
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	299,679	-	-	150,566	-	-
Total cash and investment assets - ending	\$ 299,679	\$ 4,042	\$ 19,205	\$ 150,566	\$ 111,366	\$ 30
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	299,679	-	-	-	-	-
Health and welfare	-	-	-	150,566	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	4,042	19,205	-	111,366	30
Total cash and investment fund balance - ending	\$ 299,679	\$ 4,042	\$ 19,205	\$ 150,566	\$ 111,366	\$ 30

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Law Enforcement Continuing Education	Motor Vehicle Inspection	Clerk's Records Perpetuation	Electronic Map Generation	Riverboat	Emergency Telephone System
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	14,284	-	-	-
Other	15,700	329,702	-	92	105,193	333,420
Total receipts	15,700	329,702	14,284	92	105,193	333,420
Disbursements:						
General government	-	-	5,117	-	-	-
Public safety	2,745	329,702	-	-	-	75,683
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	2,745	329,702	5,117	-	-	75,683
Excess (deficiency) of receipts over disbursements	12,955	-	9,167	92	105,193	257,737
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	2,563	-	-	-
Total other financing sources (uses)	-	-	2,563	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,955	-	11,730	92	105,193	257,737
Cash and investment fund balance - beginning	17,670	-	9,571	-	-	143,553
Cash and investment fund balance - ending	\$ 30,625	\$ -	\$ 21,301	\$ 92	\$ 105,193	\$ 401,290
Cash and Investment Assets - Ending						
Cash and investments	\$ 30,625	\$ -	\$ 21,301	\$ 92	\$ 105,193	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	401,290
Total cash and investment assets - ending	\$ 30,625	\$ -	\$ 21,301	\$ 92	\$ 105,193	\$ 401,290
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 401,290
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	30,625	-	21,301	92	105,193	-
Total cash and investment fund balance - ending	\$ 30,625	\$ -	\$ 21,301	\$ 92	\$ 105,193	\$ 401,290

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Drug Free Community	Drainage Maintenance	Emergency Planning /Right to Know	Convention and Tourism	Parks and Recreation	Property Reassessment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 176,420	\$ -	\$ -
Special assessments	-	-	-	-	-	100,120
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	685,804	-
Fines and forfeits	-	-	-	-	-	-
Other	-	238,602	-	-	-	-
Total receipts	-	238,602	-	176,420	685,804	100,120
Disbursements:						
General government	-	51,854	-	-	-	198,083
Public safety	25	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	200,234	685,804	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	25	51,854	-	200,234	685,804	198,083
Excess (deficiency) of receipts over disbursements	(25)	186,748	-	(23,814)	-	(97,963)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	267
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	267
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25)	186,748	-	(23,814)	-	(97,696)
Cash and investment fund balance - beginning	25	206,344	70	75,403	-	312,031
Cash and investment fund balance - ending	\$ -	\$ 393,092	\$ 70	\$ 51,589	\$ -	\$ 214,335
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 393,092	\$ 70	\$ 51,589	\$ -	\$ 214,335
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 393,092	\$ 70	\$ 51,589	\$ -	\$ 214,335
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	393,092	70	51,589	-	214,335
Total cash and investment fund balance - ending	\$ -	\$ 393,092	\$ 70	\$ 51,589	\$ -	\$ 214,335

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Extradition	Juvenile Probation Service	Adult Probation Service	Probation Users Fees	County 4-H	Recorder's Records Perpetuation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	199,984	-	-	46,337
Fines and forfeits	-	-	26,464	-	-	-
Other	-	12,155	-	-	-	-
Total receipts	-	12,155	226,448	-	-	46,337
Disbursements:						
General government	-	-	-	-	-	45,266
Public safety	-	2,011	116,019	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	9,741	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	2,011	125,760	-	-	45,266
Excess (deficiency) of receipts over disbursements	-	10,144	100,688	-	-	1,071
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,144	100,688	-	-	1,071
Cash and investment fund balance - beginning	2,326	46,146	363,462	1,030	66,800	39,509
Cash and investment fund balance - ending	<u>\$ 2,326</u>	<u>\$ 56,290</u>	<u>\$ 464,150</u>	<u>\$ 1,030</u>	<u>\$ 66,800</u>	<u>\$ 40,580</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,326	\$ 56,290	\$ 464,150	\$ 1,030	\$ 66,800	\$ 40,580
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,326</u>	<u>\$ 56,290</u>	<u>\$ 464,150</u>	<u>\$ 1,030</u>	<u>\$ 66,800</u>	<u>\$ 40,580</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	2,326	56,290	464,150	1,030	66,800	40,580
Total cash and investment fund balance - ending	<u>\$ 2,326</u>	<u>\$ 56,290</u>	<u>\$ 464,150</u>	<u>\$ 1,030</u>	<u>\$ 66,800</u>	<u>\$ 40,580</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	User Fee	Covered Bridge	Cannibus /Marijuana Eradication	Health Maintenance	Community Corrections - Home Detention	Pretrial Diversion
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	75,578	-	225	-	-	54,257
Other	-	-	-	89,618	-	-
Total receipts	75,578	-	225	89,618	-	54,257
Disbursements:						
General government	68,410	-	-	-	-	-
Public safety	-	-	600	-	7,495	53,160
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	40,017	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	21,982
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	4,558	-	-
Total disbursements	68,410	-	600	44,575	7,495	75,142
Excess (deficiency) of receipts over disbursements	7,168	-	(375)	45,043	(7,495)	(20,885)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(12,713)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(12,713)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,168	-	(375)	45,043	(20,208)	(20,885)
Cash and investment fund balance - beginning	56,840	29,573	412	41,222	20,208	50,248
Cash and investment fund balance - ending	\$ 64,008	\$ 29,573	\$ 37	\$ 86,265	\$ -	\$ 29,363
Cash and Investment Assets - Ending						
Cash and investments	\$ 64,008	\$ 29,573	\$ 37	\$ 86,265	\$ -	\$ 29,363
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 64,008	\$ 29,573	\$ 37	\$ 86,265	\$ -	\$ 29,363
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	64,008	29,573	37	86,265	-	29,363
Total cash and investment fund balance - ending	\$ 64,008	\$ 29,573	\$ 37	\$ 86,265	\$ -	\$ 29,363

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Guardian Ad Litem /Court	Misdemeanant	Surveyor's Corner Perpetuation	Jury Pay	Federal Grant 3	Sales Disclosure
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	5,655
Other	20,976	25,194	9,507	-	48,550	-
Total receipts	20,976	25,194	9,507	-	48,550	5,655
Disbursements:						
General government	6,467	-	-	-	48,550	4,000
Public safety	-	75,458	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	6,467	75,458	-	-	48,550	4,000
Excess (deficiency) of receipts over disbursements	14,509	(50,264)	9,507	-	-	1,655
Other financing sources (uses):						
Transfers in	-	12,713	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	12,713	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,509	(37,551)	9,507	-	-	1,655
Cash and investment fund balance - beginning	560	74,460	22,833	2,829	-	697
Cash and investment fund balance - ending	<u>\$ 15,069</u>	<u>\$ 36,909</u>	<u>\$ 32,340</u>	<u>\$ 2,829</u>	<u>\$ -</u>	<u>\$ 2,352</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 15,069	\$ 36,909	\$ 32,340	\$ 2,829	\$ -	\$ 2,352
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 15,069</u>	<u>\$ 36,909</u>	<u>\$ 32,340</u>	<u>\$ 2,829</u>	<u>\$ -</u>	<u>\$ 2,352</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	15,069	36,909	32,340	2,829	-	2,352
Total cash and investment fund balance - ending	<u>\$ 15,069</u>	<u>\$ 36,909</u>	<u>\$ 32,340</u>	<u>\$ 2,829</u>	<u>\$ -</u>	<u>\$ 2,352</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	K-9	Law Enforcement	Hazardous Materials	Juvenile Justice Grant	Sewer Study 1	Tobacco Settlement
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	55,340	-	-	24,364
Total receipts	-	-	55,340	-	-	24,364
Disbursements:						
General government	-	-	-	-	-	-
Public safety	840	-	62,308	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	19,975	-
Health and welfare	-	-	-	-	-	18,806
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	840	-	62,308	-	19,975	18,806
Excess (deficiency) of receipts over disbursements	(840)	-	(6,968)	-	(19,975)	5,558
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(840)	-	(6,968)	-	(19,975)	5,558
Cash and investment fund balance - beginning	4,839	524	8,544	166	17,762	64,920
Cash and investment fund balance - ending	<u>\$ 3,999</u>	<u>\$ 524</u>	<u>\$ 1,576</u>	<u>\$ 166</u>	<u>\$ (2,213)</u>	<u>\$ 70,478</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,999	\$ 524	\$ 1,576	\$ 166	\$ (2,213)	\$ 70,478
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,999</u>	<u>\$ 524</u>	<u>\$ 1,576</u>	<u>\$ 166</u>	<u>\$ (2,213)</u>	<u>\$ 70,478</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	3,999	524	1,576	166	(2,213)	70,478
Total cash and investment fund balance - ending	<u>\$ 3,999</u>	<u>\$ 524</u>	<u>\$ 1,576</u>	<u>\$ 166</u>	<u>\$ (2,213)</u>	<u>\$ 70,478</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Sheriff Notice to Quit	Identification Security Protection	Operation Pullover	Homeland Security	CEDIT Homestead Credit	Wireless Emergency Telephone System
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	894,114	16,909	5,184	31,788	628,605	182,381
Total receipts	894,114	16,909	5,184	31,788	628,605	182,381
Disbursements:						
General government	-	-	-	-	614,445	-
Public safety	894,114	3,823	3,906	17,680	-	221,735
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	894,114	3,823	3,906	17,680	614,445	221,735
Excess (deficiency) of receipts over disbursements	-	13,086	1,278	14,108	14,160	(39,354)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	13,086	1,278	14,108	14,160	(39,354)
Cash and investment fund balance - beginning	-	15,203	2,101	(14,108)	-	76,765
Cash and investment fund balance - ending	\$ -	\$ 28,289	\$ 3,379	\$ -	\$ 14,160	\$ 37,411
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 28,289	\$ 3,379	\$ -	\$ 14,160	\$ 37,411
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 28,289	\$ 3,379	\$ -	\$ 14,160	\$ 37,411
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	28,289	3,379	-	14,160	37,411
Total cash and investment fund balance - ending	\$ -	\$ 28,289	\$ 3,379	\$ -	\$ 14,160	\$ 37,411

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Drug Task Force	Coroners Records	Toxicology Fee Fund	Coroners User Fund	County Subdivision	Storm Water Clearing
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	150	-	-	-
Other	25	-	-	-	-	6,350
Total receipts	25	-	150	-	-	6,350
Disbursements:						
General government	-	-	442	-	-	4,573
Public safety	1,037	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	1,037	-	442	-	-	4,573
Excess (deficiency) of receipts over disbursements	(1,012)	-	(292)	-	-	1,777
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,012)	-	(292)	-	-	1,777
Cash and investment fund balance - beginning	3,038	3	450	1	600	35,421
Cash and investment fund balance - ending	<u>\$ 2,026</u>	<u>\$ 3</u>	<u>\$ 158</u>	<u>\$ 1</u>	<u>\$ 600</u>	<u>\$ 37,198</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,026	\$ 3	\$ 158	\$ 1	\$ 600	\$ 37,198
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,026</u>	<u>\$ 3</u>	<u>\$ 158</u>	<u>\$ 1</u>	<u>\$ 600</u>	<u>\$ 37,198</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	2,026	3	158	1	600	37,198
Total cash and investment fund balance - ending	<u>\$ 2,026</u>	<u>\$ 3</u>	<u>\$ 158</u>	<u>\$ 1</u>	<u>\$ 600</u>	<u>\$ 37,198</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Electrical Fee Clearing	Flood Fee Holding	Change of Venue	Courthouse Parking Lot Maintenance	Plat Map Fund	Bond Administration Fee Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	6,130	-	675	92	-
Other	1,420	-	-	-	2,956	21,867
Total receipts	1,420	6,130	-	675	3,048	21,867
Disbursements:						
General government	-	338	-	-	915	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	2,921	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	338	-	-	3,836	-
Excess (deficiency) of receipts over disbursements	1,420	5,792	-	675	(788)	21,867
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,420	5,792	-	675	(788)	21,867
Cash and investment fund balance - beginning	6,910	25,722	146	575	10,341	164,350
Cash and investment fund balance - ending	<u>\$ 8,330</u>	<u>\$ 31,514</u>	<u>\$ 146</u>	<u>\$ 1,250</u>	<u>\$ 9,553</u>	<u>\$ 186,217</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,330	\$ 31,514	\$ 146	\$ 1,250	\$ 9,553	\$ 186,217
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 8,330</u>	<u>\$ 31,514</u>	<u>\$ 146</u>	<u>\$ 1,250</u>	<u>\$ 9,553</u>	<u>\$ 186,217</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	8,330	31,514	146	1,250	9,553	186,217
Total cash and investment fund balance - ending	<u>\$ 8,330</u>	<u>\$ 31,514</u>	<u>\$ 146</u>	<u>\$ 1,250</u>	<u>\$ 9,553</u>	<u>\$ 186,217</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Wheel & Surtax	Clerk Child Support Incentive	Prosecutor Child Support Incentive	Probation Salaries Administration	County Police Pension	Juvenile Administration Fee
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	5,126
Other	525,719	-	22,888	35,978	65,762	-
Total receipts	525,719	-	22,888	35,978	65,762	5,126
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	23,647	-	3,968
Highways and streets	539,992	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	16,156	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	539,992	-	16,156	23,647	-	3,968
Excess (deficiency) of receipts over disbursements	(14,273)	-	6,732	12,331	65,762	1,158
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,273)	-	6,732	12,331	65,762	1,158
Cash and investment fund balance - beginning	209,293	10,384	49,066	33,791	16,320	11,410
Cash and investment fund balance - ending	\$ 195,020	\$ 10,384	\$ 55,798	\$ 46,122	\$ 82,082	\$ 12,568
Cash and Investment Assets - Ending						
Cash and investments	\$ 195,020	\$ 10,384	\$ 55,798	\$ 46,122	\$ 82,082	\$ 12,568
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 195,020	\$ 10,384	\$ 55,798	\$ 46,122	\$ 82,082	\$ 12,568
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	195,020	10,384	55,798	46,122	82,082	12,568
Total cash and investment fund balance - ending	\$ 195,020	\$ 10,384	\$ 55,798	\$ 46,122	\$ 82,082	\$ 12,568

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Sheriff Donation Special	Alternative Dispute Resolution	Probation Parent Project	Clerk Incentive	Nucor Rail Spur Grant	Bioterrorism Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	5,170	-	11	-	-
Total receipts	-	5,170	-	11	-	-
Disbursements:						
General government	-	306	-	-	-	-
Public safety	-	-	-	-	-	807
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	7,464	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	497
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	-	306	-	7,464	-	1,304
Excess (deficiency) of receipts over disbursements	-	4,864	-	(7,453)	-	(1,304)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,864	-	(7,453)	-	(1,304)
Cash and investment fund balance - beginning	6,894	1,597	446	27,467	63	4,812
Cash and investment fund balance - ending	<u>\$ 6,894</u>	<u>\$ 6,461</u>	<u>\$ 446</u>	<u>\$ 20,014</u>	<u>\$ 63</u>	<u>\$ 3,508</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,894	\$ 6,461	\$ 446	\$ 20,014	\$ 63	\$ 3,508
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,894</u>	<u>\$ 6,461</u>	<u>\$ 446</u>	<u>\$ 20,014</u>	<u>\$ 63</u>	<u>\$ 3,508</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	6,894	6,461	446	20,014	63	3,508
Total cash and investment fund balance - ending	<u>\$ 6,894</u>	<u>\$ 6,461</u>	<u>\$ 446</u>	<u>\$ 20,014</u>	<u>\$ 63</u>	<u>\$ 3,508</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	NACCHO Grant	Prime For Life	Probation Officer Grant	Probation Officer Grant No. 2	Probation Officer Grant No. 3	Emergency Gas Award
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	11,069	-
Charges for services	-	-	484	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	5,953	-	-	7,217	-	-
Total receipts	5,953	-	484	7,217	11,069	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	7,895	18,613	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	7,032	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	7,032	-	-	7,895	18,613	-
Excess (deficiency) of receipts over disbursements	(1,079)	-	484	(678)	(7,544)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,079)	-	484	(678)	(7,544)	-
Cash and investment fund balance - beginning	3,047	571	(484)	678	-	550
Cash and investment fund balance - ending	<u>\$ 1,968</u>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,544)</u>	<u>\$ 550</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,968	\$ 571	\$ -	\$ -	\$ (7,544)	\$ 550
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,968</u>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,544)</u>	<u>\$ 550</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	1,968	571	-	-	(7,544)	550
Total cash and investment fund balance - ending	<u>\$ 1,968</u>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,544)</u>	<u>\$ 550</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	County CPRT Child Psych	Interpreter Grant	Autopsy Report Fund	Aggressive Driving	DUI Enforcement Reimbursement	Juvenile Justice (JJAC)
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	3,500	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	5,440	-	-
Other	44,922	-	-	-	3,000	10,177
Total receipts	44,922	3,500	-	5,440	3,000	10,177
Disbursements:						
General government	-	4,387	-	-	-	-
Public safety	-	-	-	2,720	1,500	10,177
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	109,312	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	109,312	4,387	-	2,720	1,500	10,177
Excess (deficiency) of receipts over disbursements	(64,390)	(887)	-	2,720	1,500	-
Other financing sources (uses):						
Transfers in	98	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	98	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(64,292)	(887)	-	2,720	1,500	-
Cash and investment fund balance - beginning	125,869	(13,787)	3	-	-	-
Cash and investment fund balance - ending	\$ 61,577	\$ (14,674)	\$ 3	\$ 2,720	\$ 1,500	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 61,577	\$ (14,674)	\$ 3	\$ 2,720	\$ 1,500	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 61,577	\$ (14,674)	\$ 3	\$ 2,720	\$ 1,500	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	61,577	(14,674)	3	2,720	1,500	-
Total cash and investment fund balance - ending	\$ 61,577	\$ (14,674)	\$ 3	\$ 2,720	\$ 1,500	\$ -

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	JABIG Grant	Federal Motor Carrier Clerk	County Drug Free	Circuit ADR Fund	Superior ADR Fund	Drug Investigation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	6,599	8,090	50,331	261	-	-
Total receipts	6,599	8,090	50,331	261	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	6,599	-	45,980	772	732	1,018
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	100	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	6,599	-	46,080	772	732	1,018
Excess (deficiency) of receipts over disbursements	-	8,090	4,251	(511)	(732)	(1,018)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,090	4,251	(511)	(732)	(1,018)
Cash and investment fund balance - beginning	-	63,856	48,429	288	3,838	1,044
Cash and investment fund balance - ending	\$ -	\$ 71,946	\$ 52,680	\$ (223)	\$ 3,106	\$ 26
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 71,946	\$ 52,680	\$ (223)	\$ 3,106	\$ 26
Cash with fiscal agent	-	-	-	-	-	-
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 71,946	\$ 52,680	\$ (223)	\$ 3,106	\$ 26
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	71,946	52,680	(223)	3,106	26
Total cash and investment fund balance - ending	\$ -	\$ 71,946	\$ 52,680	\$ (223)	\$ 3,106	\$ 26

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Block Equipment Grant (Sheriff Cameras)	ISP Seized Funds	Sheriff Equipment Grant	Sheriff's Commissary	Sheriff Equipment Grant (Radios)
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	2,550	-	12,505	194,355	14,864
	<u>2,550</u>	<u>-</u>	<u>12,505</u>	<u>194,355</u>	<u>14,864</u>
Total receipts	2,550	-	12,505	194,355	14,864
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	12,505	189,324	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	14,108
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>12,505</u>	<u>189,324</u>	<u>14,108</u>
Total disbursements	-	-	12,505	189,324	14,108
Excess (deficiency) of receipts over disbursements	2,550	-	-	5,031	756
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,550	-	-	5,031	756
Cash and investment fund balance - beginning	-	586	-	21,186	-
Cash and investment fund balance - ending	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ -</u>	<u>\$ 26,217</u>	<u>\$ 756</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 2,550	\$ 586	\$ -	\$ 26,217	\$ 756
Cash with fiscal agent	-	-	-	-	-
Restricted assets:					
Cash and investments	-	-	-	-	-
	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ -</u>	<u>\$ 26,217</u>	<u>\$ 756</u>
Total cash and investment assets - ending	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ -</u>	<u>\$ 26,217</u>	<u>\$ 756</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	2,550	586	-	26,217	756
	<u>2,550</u>	<u>586</u>	<u>-</u>	<u>26,217</u>	<u>756</u>
Total cash and investment fund balance - ending	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ -</u>	<u>\$ 26,217</u>	<u>\$ 756</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Cumulative Bridge	Cumulative Capital Development	Drain Improvement	Jail Bond	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ 1,687,018	\$ 1,863,438
Special assessments	-	-	-	-	100,120
Intergovernmental	417,166	349,881	60,813	-	1,772,075
Charges for services	-	-	-	-	948,467
Fines and forfeits	-	-	-	-	194,076
Other	-	-	-	-	4,358,093
Total receipts	417,166	349,881	60,813	1,687,018	9,236,269
Disbursements:					
General government	-	-	-	-	1,053,153
Public safety	-	-	-	1,331,900	3,606,571
Highways and streets	-	-	-	-	1,215,203
Sanitation	-	-	-	-	19,975
Health and welfare	-	-	-	-	371,965
Culture and recreation	-	-	-	-	886,038
Debt service:					
Principal	-	-	-	-	453,229
Capital outlay:					
General government	-	817,223	78,370	-	895,593
Public safety	-	-	-	-	46,428
Highways and streets	532,595	-	-	-	532,595
Health and welfare	-	-	-	-	4,558
Total disbursements	532,595	817,223	78,370	1,331,900	9,085,308
Excess (deficiency) of receipts over disbursements	(115,429)	(467,342)	(17,557)	355,118	150,961
Other financing sources (uses):					
Transfers in	1,111	530,416	-	515,032	1,059,966
Transfers out	-	(510,539)	-	(510,539)	(1,033,791)
Other receipts	-	-	-	-	2,563
Total other financing sources (uses)	1,111	19,877	-	4,493	28,738
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(114,318)	(447,465)	(17,557)	359,611	179,699
Cash and investment fund balance - beginning	927,333	3,049,307	136,870	-	7,524,918
Cash and investment fund balance - ending	<u>\$ 813,015</u>	<u>\$ 2,601,842</u>	<u>\$ 119,313</u>	<u>\$ 359,611</u>	<u>\$ 7,704,617</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 2,601,842	\$ -	\$ -	\$ 5,561,143
Cash with fiscal agent	-	-	-	-	-
Restricted assets:					
Cash and investments	813,015	-	119,313	359,611	2,143,474
Total cash and investment assets - ending	<u>\$ 813,015</u>	<u>\$ 2,601,842</u>	<u>\$ 119,313</u>	<u>\$ 359,611</u>	<u>\$ 7,704,617</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 401,290
Highways and streets	-	-	-	-	299,679
Health and welfare	-	-	-	-	150,566
Debt service	-	-	-	359,611	359,611
Capital outlay	813,015	-	119,313	-	932,328
Unrestricted	-	2,601,842	-	-	5,561,143
Total cash and investment fund balance - ending	<u>\$ 813,015</u>	<u>\$ 2,601,842</u>	<u>\$ 119,313</u>	<u>\$ 359,611</u>	<u>\$ 7,704,617</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

	Congressional School Interest	Payroll	Ambulance /EMS	Tax Distribution	Clerk	Treasurer	Sheriff
Additions:							
Agency fund additions	\$ 1,139	\$ 2,859,116	\$ 3,870	\$ 48,929,325	\$ 3,425,052	\$ 72,123,788	\$ 1,211,914
Deductions:							
Agency fund deductions	1,846	2,879,397	3,870	47,767,391	3,522,091	57,534,598	1,085,915
Excess (deficiency) of total additions over total deductions	(707)	(20,281)	-	1,161,934	(97,039)	14,589,190	125,999
Cash and investment fund balance - beginning	1,341	86,237	-	968,687	707,426	718,910	55,702
Cash and investment fund balance - ending	<u>\$ 634</u>	<u>\$ 65,956</u>	<u>\$ -</u>	<u>\$ 2,130,621</u>	<u>\$ 610,387</u>	<u>\$ 15,308,100</u>	<u>\$ 181,701</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	<u>Recorder</u>	<u>Inmate Trust</u>	<u>Work Release</u>	<u>Probation</u>	<u>Health Department</u>	<u>Totals</u>
Additions:						
Agency fund additions	\$ 172,674	\$ 191,818	\$ 83,434	\$ 342,400	\$ 57,451	\$ 129,401,981
Deductions:						
Agency fund deductions	<u>187,251</u>	<u>192,042</u>	<u>41,411</u>	<u>358,331</u>	<u>60,437</u>	<u>113,634,580</u>
Excess (deficiency) of total additions over total deductions	(14,577)	(224)	42,023	(15,931)	(2,986)	15,767,401
Cash and investment fund balance - beginning	<u>14,577</u>	<u>9,686</u>	<u>41,455</u>	<u>30,358</u>	<u>2,986</u>	<u>2,637,365</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,462</u>	<u>\$ 83,478</u>	<u>\$ 14,427</u>	<u>\$ -</u>	<u>\$ 18,404,766</u>

MONTGOMERY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Jail Lease	\$ 15,622,164	\$ 1,331,800
Notes and loans payable		
James Emerson Ditch	5,894	5,987
Bonds payable:		
Revenue bonds:		
911 Telephone System Bonds	478,000	131,670
Total governmental activities debt	\$ 16,106,058	\$ 1,469,457

MONTGOMERY COUNTY
OTHER REPORTS

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

County Auditor
County Sheriff
Health Department

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

Compliance

We have audited the compliance of the Montgomery County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management, County Council, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 12, 2008

MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Block Grants	16.523	03-JB-042	\$ <u>16,776</u>
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	05-JF-017 06-JF-020	7,895 <u>18,613</u>
Total for program			<u>26,508</u>
Edward Byrne Memorial Justice Assistance Grant	16.738	04-DB-068	<u>10,000</u>
Total for federal grantor agency			<u>53,284</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	BR-9954 BR-NBIS (509)	327,324 <u>159,620</u>
Total for cluster			<u>486,944</u>
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-08-01-01-65 154HE-2008-08-01-19	3,906 <u>2,720</u>
Total for program			<u>6,626</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	K8-2008-02-3-20	<u>1,500</u>
Total for federal grantor agency			<u>495,070</u>

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

MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2007
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	BPRS 153-2	<u>47,176</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecutor	93.563		169,895
Clerk			18,061
General			<u>15,190</u>
Total for program			<u>203,146</u>
Total for federal grantor agency			<u>250,322</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Grant Cluster State Homeland Security Program	97.073	FY 2004	59,800
		FY 2006	<u>17,680</u>
Total for program			<u>77,480</u>
Law Enforcement Terrorism Prevention Program	97.074	FY 2005	<u>44,090</u>
Total for Cluster			<u>121,570</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Snow Emergency	97.036	EM 3274	<u>28,852</u>
Total for federal grantor agency			<u>150,422</u>
Total federal awards expended			<u>\$ 949,098</u>

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

MONTGOMERY COUNTY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Montgomery County (County) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

MONTGOMERY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
 Material weaknesses identified? no
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
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Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

MONTGOMERY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2008, with Harry A. Siamas, President of the County Commissioners; James D. Fulwider, President of the County Council; and Michelle R. Cash; Auditor.