

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

ANNUAL FINANCIAL REPORT

2008

MONTGOMERY COUNTY, INDIANA



**FILED**

11/06/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle R. Cash	10-16-07 to 12-31-10
Treasurer	Donna Bowling	01-01-07 to 12-31-10
Clerk	Jennifer Bentley	10-01-05 to 12-31-12
Sheriff	Luther J. Blanton	01-01-07 to 12-31-10
Recorder	Kathy Traughber	01-01-08 to 12-31-11
President of the Board of County Commissioners	Harry A. Siamas	01-01-08 to 12-31-09
President of the County Council	James D. Fulwider	01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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, 2008, 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, 2008, 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 26, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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

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

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.

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 26, 2009



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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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 26, 2009. 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.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the County on August 26, 2009. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

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

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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 26, 2009

MONTGOMERY COUNTY  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 10,156,524	\$ 235,960	\$ 2,177	\$ -	\$ (9,918,387)
Public safety	6,306,321	997,604	13,516	-	(5,295,201)
Highways and streets	4,661,636	-	2,273,645	396,370	(1,991,621)
Sanitation	837	-	-	-	(837)
Health and welfare	4,739,291	85,363	450,952	-	(4,202,976)
Culture and recreation	164,100	16,785	-	-	(147,315)
Principal and interest on debt	397,388	-	-	-	(397,388)
<b>Total governmental activities</b>	<b>\$ 26,426,097</b>	<b>\$ 1,335,712</b>	<b>\$ 2,740,290</b>	<b>\$ 396,370</b>	<b>(21,953,725)</b>
General receipts:					
Property taxes					12,085,313
Income taxes					4,546,739
Intergovernmental					1,559,216
Other local sources					3,829,103
Grants and contributions not restricted to specific programs					75,906
Investment earnings					865,519
<b>Total general receipts</b>					<b>22,961,796</b>
Change in net assets					1,008,071
Net assets - beginning					14,034,253
Net assets - ending					<b>\$ 15,042,324</b>
<u>Assets</u>					
Cash and investments					\$ 10,018,858
Restricted assets:					
Cash and investments					5,023,466
<b>Total assets</b>					<b>\$ 15,042,324</b>
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 362,883
Highways and streets					1,832,475
Health and welfare					1,204,484
Debt service					756,099
Capital outlay					867,525
Unrestricted					10,018,858
<b>Total net assets</b>					<b>\$ 15,042,324</b>

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, 2008

	General	Highway	Family and Children	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 9,539,660	\$ 1,100,000	\$ 2,697,473	\$ 4,237,939	\$ 17,575,072
Intergovernmental	429,928	2,273,645	1,088,343	476,116	4,268,032
Charges for services	439,753	-	-	186,562	626,315
Fines and forfeits	285,693	-	-	618,354	904,047
Other	865,519	35,352	110,988	3,046,727	4,058,586
<b>Total receipts</b>	<b>11,560,553</b>	<b>3,408,997</b>	<b>3,896,804</b>	<b>8,565,698</b>	<b>27,432,052</b>
<b>Disbursements:</b>					
General government	7,239,260	-	-	1,585,290	8,824,550
Public safety	3,269,651	-	-	2,848,003	6,117,654
Highways and streets	88,496	2,938,777	-	940,338	3,967,611
Sanitation	-	-	-	837	837
Health and welfare	-	-	4,234,961	500,058	4,735,019
Culture and recreation	-	-	-	164,100	164,100
Debt service:					
Principal	81,852	-	-	315,536	397,388
Capital outlay:					
General government	118,020	-	-	1,213,954	1,331,974
Public safety	157,581	-	-	31,086	188,667
Highways and streets	-	-	-	694,025	694,025
Health and welfare	-	-	-	4,272	4,272
<b>Total disbursements</b>	<b>10,954,860</b>	<b>2,938,777</b>	<b>4,234,961</b>	<b>8,297,499</b>	<b>26,426,097</b>
Excess (deficiency) of receipts over disbursements	605,693	470,220	(338,157)	268,199	1,005,955
Other financing sources (uses):					
Other receipts	2,116	-	-	-	2,116
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	607,809	470,220	(338,157)	268,199	1,008,071
Cash and investment fund balance - beginning	3,864,657	1,133,696	1,428,688	7,607,212	14,034,253
Cash and investment fund balance - ending	<u>\$ 4,472,466</u>	<u>\$ 1,603,916</u>	<u>\$ 1,090,531</u>	<u>\$ 7,875,411</u>	<u>\$ 15,042,324</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	\$ 4,472,466	\$ -	\$ -	\$ 5,546,392	\$ 10,018,858
Restricted assets:					
Cash and investments	-	1,603,916	1,090,531	2,329,019	5,023,466
Total cash and investment assets - December 31	<u>\$ 4,472,466</u>	<u>\$ 1,603,916</u>	<u>\$ 1,090,531</u>	<u>\$ 7,875,411</u>	<u>\$ 15,042,324</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ 362,883	\$ 362,883
Highways and streets	-	1,603,916	-	228,559	1,832,475
Health and welfare	-	-	1,090,531	113,953	1,204,484
Debt service	-	-	-	756,099	756,099
Capital outlay	-	-	-	867,525	867,525
Unrestricted	4,472,466	-	-	5,546,392	10,018,858
Total cash and investment fund balance - December 31	<u>\$ 4,472,466</u>	<u>\$ 1,603,916</u>	<u>\$ 1,090,531</u>	<u>\$ 7,875,411</u>	<u>\$ 15,042,324</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, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 260,346	\$ -	
Investment earnings:			
Dividends	<u>71,950</u>	<u>-</u>	
Total additions	<u>332,296</u>	<u>-</u>	
Deductions:			
Benefits	141,133	-	
Refunds of contributions	196	-	
Administrative and general	44,336	-	
Net realized loss on investments	<u>139,346</u>	<u>-</u>	
Total deductions	<u>325,011</u>	<u>-</u>	
Excess (deficiency) of total additions over total deductions	7,285	-	
Cash and investment fund balance - beginning	<u>2,309,878</u>	<u>23,081</u>	
Cash and investment fund balance - ending	<u>\$ 2,317,163</u>	<u>\$ 23,081</u>	<u>\$ 7,408,213</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, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary 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:

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.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 funds, which accumulate 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 funds or internal service funds.

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.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the County in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively, however due to late assessments; taxes in 2008 were due September 9 and November 10.

3. 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.

4. 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.

5. 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.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

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.

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 government-wide 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

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

obtain taxpayer comments. In September of each year, the governing board, through the 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, 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2008
General (0101)	\$ 238,073
County Wheel Tax (0205)	19,997
Local Roads and Streets (0706)	22,759
Children's Psychiatric Residential Treatment (0861)	<u>126,566</u>
 Total	 <u>\$ 407,395</u>

These disbursements were funded by available fund balance.

C. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008
Community Corrections - Home Detention	\$ 10,646
Misdemeanant	75,843
Sales Disclosure	1,479
Sewer Study 1	3,050
Interpreter Grant	20,065
JABIG Grant	1,593
Circuit ADR Fund	223
Drug Investigation	44

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; 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, 2008, the bank balances held at Morgan Stanley in the amount of \$1,883,990 were 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. Investment

As of December 31, 2008, the Sheriff's Retirement and Benefit Plan had the following investments:

Investment Type	Sheriff's Retirement and Benefit Pension Plans
U.S. treasuries and securities	\$ 240,533
U.S. agencies	314,487
Securities	1,010,475
Corporate bond	287,797
Mutual funds	30,698
Total	\$ 1,883,990

Statutory Authorization for Investments

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 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

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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. At December 31, 2008, the Sheriff's Retirement and Benefit Pension Plans held investments in bonds and equities in the amount of \$1,883,990. 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 for interest rate risk.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Sheriff's Retirement and Benefit Pension Plans:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 114,953	\$ 80,447	\$ 45,133
U.S. agencies	45,824	107,871	160,792
Totals	<u>\$ 160,777</u>	<u>\$ 188,318</u>	<u>\$ 205,925</u>

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.

The Sheriff's Merit Board has not adopted a policy for credit risk.

Standard and Poor's Rating	Moody's Rating	Corporate Bonds	Government Sponsored Enterprise	Investment Pools
AAA	Aaa	\$ 59,215	\$ 240,533	\$ 306,007
AA	Aa	42,865	-	-
A	A	166,547	-	-
BBB	Baa	19,170	-	8,480
Totals		<u>\$ 287,797</u>	<u>\$ 240,533</u>	<u>\$ 314,487</u>

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.

The Sheriff's Merit Board has not adopted a policy for the concentration of credit risk.

The investments of the Sheriff's Pension Funds were not concentrated with a single user. The County and the Sheriff's Retirement and Benefit Pension Plan held 29% of their investments in United States of America government and United States of America governmental agency securities which are exempt from this policy requirement. The remainder of the investments was in bonds and equities. These investments represent 15% and 56%, respectively, of the total investments.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Restatements and Reclassifications

For the year ended December 31, 2008, 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 misclassification of investments in the prior audit period.

Opinion Unit	Balance as Reported December 31, 2007	Prior Period Adjustments	Balance as Restated January 1, 2008
General Fund	\$ 3,767,252	\$ 97,405	\$ 3,864,657
Other governmental funds	7,704,617	(97,405)	7,607,212

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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; medical benefits to employees, 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.

Job Related Illnesses or Injuries To Employees

During 1990, the County joined with other governmental entities to form the Indiana Public Employer's 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 Bill McCormick, County Commissioner in relation to his job as a salesman for CPI, Inc., a manufacturer of culvert pipe in the amount of \$231,315. 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 \$177,887. As of December 31, 2008, no amounts were due to these contractors.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 \$1,331,800.

D. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

E. Administration of Welfare Programs

The County is required to provide certain funding for administrative costs of welfare programs, the Hospital Care for the Indigent Program, Medical Assistance to Wards, and Children with Special Health Care Needs through local property tax levies. The County remits those taxes to the State, which pays the cost.

F. Pension Plans

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

1. 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:

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

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

2. 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.

3. 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

	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Annual required contribution	\$ 231,027	\$ 94,989	\$ 7,815
Interest on net pension obligation	(30,200)	(378)	-
Adjustment to annual required contribution	<u>34,415</u>	<u>584</u>	<u>-</u>
Annual pension cost	235,242	95,195	7,815
Contributions made	<u>210,407</u>	<u>104,185</u>	<u>7,815</u>
Increase (decrease) in net pension obligation	24,835	(8,990)	-
Net pension obligation, beginning of year	<u>(416,552)</u>	<u>(5,404)</u>	<u>-</u>
Net pension obligation, end of year	<u>\$ (391,717)</u>	<u>\$ (14,394)</u>	<u>\$ -</u>
	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
Contribution rates:			
County	4.5%	12.8%	1.5%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 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
	<u>PERF</u>	<u>County Police Retirement Plan</u>	<u>County Police Benefit Plan</u>
<u>Actuarial Assumptions</u>			
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	06-30-06	\$ 167,901	112%	\$ (433,540)
	06-30-07	223,456	92%	(416,552)
	06-30-08	235,242	89%	(391,717)
County Police Retirement Plan	12-31-06	89,176	100%	(5,672)
	12-31-07	96,690	100%	(5,404)
	12-31-08	95,195	109.7%	(14,394)
County Police Benefit Plan	12-31-06	8,570	100%	-
	12-31-07	11,100	100%	-
	12-31-08	7,815	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)
07-01-06	\$ 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%
07-01-08	3,444,329	3,334,340	109,989	103%	4,279,757	3%

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%
01-01-07	2,208,354	2,208,354	-	100%	682,461	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, 2008

	Local Road and Street	Accident Report	Firearms Training	Health	Alcohol and Drug Services	Emergency Medical Services/ Ambulance	Law Enforcement Continuing Education
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ 135,631	\$ -	\$ -	\$ -
Intergovernmental	396,370	-	-	-	-	-	-
Charges for services	-	2,420	14,030	-	112,315	-	17,912
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	10,304	-	-	-
<b>Total receipts</b>	<b>396,370</b>	<b>2,420</b>	<b>14,030</b>	<b>145,935</b>	<b>112,315</b>	<b>-</b>	<b>17,912</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	16,562	-	83,937	-	15,428
Highways and streets	151,954	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	181,276	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	315,536	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	1,272	-	-	-
<b>Total disbursements</b>	<b>467,490</b>	<b>-</b>	<b>16,562</b>	<b>182,548</b>	<b>83,937</b>	<b>-</b>	<b>15,428</b>
Excess (deficiency) of receipts over disbursements	(71,120)	2,420	(2,532)	(36,613)	28,378	-	2,484
Cash and investment fund balance - beginning	299,679	4,042	19,205	150,566	111,366	30	30,625
Cash and investment fund balance - ending	\$ 228,559	\$ 6,462	\$ 16,673	\$ 113,953	\$ 139,744	\$ 30	\$ 33,109
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ -	\$ 6,462	\$ 16,673	\$ -	\$ 139,744	\$ 30	\$ 33,109
Restricted assets:							
Cash and investments	228,559	-	-	113,953	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 228,559</b>	<b>\$ 6,462</b>	<b>\$ 16,673</b>	<b>\$ 113,953</b>	<b>\$ 139,744</b>	<b>\$ 30</b>	<b>\$ 33,109</b>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	228,559	-	-	-	-	-	-
Health and welfare	-	-	-	113,953	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	6,462	16,673	-	139,744	30	33,109
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 228,559</b>	<b>\$ 6,462</b>	<b>\$ 16,673</b>	<b>\$ 113,953</b>	<b>\$ 139,744</b>	<b>\$ 30</b>	<b>\$ 33,109</b>

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, 2008  
 (Continued)

	Clerk's Records Perpetuation	Electronic Map Generation	Riverboat	Emergency Telephone System	Drainage Maintenance	Emergency Planning/ Right to Know	Convention and Tourism
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,097
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	18,320	-	-	-	-	-	-
Other	-	938	104,647	344,538	387,260	6,327	-
<b>Total receipts</b>	<b>18,320</b>	<b>938</b>	<b>104,647</b>	<b>344,538</b>	<b>387,260</b>	<b>6,327</b>	<b>175,097</b>
Disbursements:							
General government	26,223	-	48,889	-	332,778	-	-
Public safety	-	-	-	235,540	-	6,397	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	164,100
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>26,223</b>	<b>-</b>	<b>48,889</b>	<b>235,540</b>	<b>332,778</b>	<b>6,397</b>	<b>164,100</b>
Excess (deficiency) of receipts over disbursements	(7,903)	938	55,758	108,998	54,482	(70)	10,997
Cash and investment fund balance - beginning	21,301	92	105,193	253,885	393,092	70	51,589
Cash and investment fund balance - ending	<u>\$ 13,398</u>	<u>\$ 1,030</u>	<u>\$ 160,951</u>	<u>\$ 362,883</u>	<u>\$ 447,574</u>	<u>\$ -</u>	<u>\$ 62,586</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 13,398	\$ 1,030	\$ 160,951	\$ -	\$ 447,574	\$ -	\$ 62,586
Restricted assets:							
Cash and investments	-	-	-	362,883	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 13,398</u>	<u>\$ 1,030</u>	<u>\$ 160,951</u>	<u>\$ 362,883</u>	<u>\$ 447,574</u>	<u>\$ -</u>	<u>\$ 62,586</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 362,883	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	13,398	1,030	160,951	-	447,574	-	62,586
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 13,398</u>	<u>\$ 1,030</u>	<u>\$ 160,951</u>	<u>\$ 362,883</u>	<u>\$ 447,574</u>	<u>\$ -</u>	<u>\$ 62,586</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, 2008  
 (Continued)

	Property Reassessment	Extradition	Juvenile Probation Service	Adult Probation Service	Probation Users Fees	County 4-H	Recorder's Records Perpetuation
<b>Receipts:</b>							
Taxes	\$ 149,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	39,885
Fines and forfeits	-	-	-	208,314	-	-	-
Other	8,478	-	15,884	-	-	-	-
<b>Total receipts</b>	<b>158,076</b>	<b>-</b>	<b>15,884</b>	<b>208,314</b>	<b>-</b>	<b>-</b>	<b>39,885</b>
<b>Disbursements:</b>							
General government	261,279	-	-	-	-	-	9,934
Public safety	-	-	6,161	221,857	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	12,728	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>261,279</b>	<b>-</b>	<b>6,161</b>	<b>234,585</b>	<b>-</b>	<b>-</b>	<b>9,934</b>
Excess (deficiency) of receipts over disbursements	(103,203)	-	9,723	(26,271)	-	-	29,951
Cash and investment fund balance - beginning	214,335	2,326	56,290	464,150	1,030	66,800	40,580
Cash and investment fund balance - ending	\$ 111,132	\$ 2,326	\$ 66,013	\$ 437,879	\$ 1,030	\$ 66,800	\$ 70,531
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 111,132	\$ 2,326	\$ 66,013	\$ 437,879	\$ 1,030	\$ 66,800	\$ 70,531
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 111,132	\$ 2,326	\$ 66,013	\$ 437,879	\$ 1,030	\$ 66,800	\$ 70,531
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	111,132	2,326	66,013	437,879	1,030	66,800	70,531
Total cash and investment fund balance - December 31	\$ 111,132	\$ 2,326	\$ 66,013	\$ 437,879	\$ 1,030	\$ 66,800	\$ 70,531

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, 2008  
 (Continued)

	User Fee	Covered Bridge	Cannabis/ Marijuana Eradication	Health Maintenance	Community Corrections - Home Detention	Pretrial Diversion	Guardian Ad Litem/ Court
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	92,249	-	488	-	114,870	85,363	-
Other	-	-	-	75,072	-	-	24,565
<b>Total receipts</b>	<b>92,249</b>	<b>-</b>	<b>488</b>	<b>75,072</b>	<b>114,870</b>	<b>85,363</b>	<b>24,565</b>
Disbursements:							
General government	90,453	-	-	-	-	-	34,629
Public safety	-	-	488	-	125,516	59,358	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	42,954	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	7,981	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	3,000	-	-	-
<b>Total disbursements</b>	<b>90,453</b>	<b>-</b>	<b>488</b>	<b>45,954</b>	<b>125,516</b>	<b>67,339</b>	<b>34,629</b>
Excess (deficiency) of receipts over disbursements	1,796	-	-	29,118	(10,646)	18,024	(10,064)
Cash and investment fund balance - beginning	64,008	29,573	37	86,265	-	29,363	15,069
Cash and investment fund balance - ending	<u>\$ 65,804</u>	<u>\$ 29,573</u>	<u>\$ 37</u>	<u>\$ 115,383</u>	<u>\$ (10,646)</u>	<u>\$ 47,387</u>	<u>\$ 5,005</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 65,804	\$ 29,573	\$ 37	\$ 115,383	\$ (10,646)	\$ 47,387	\$ 5,005
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 65,804</b>	<b>\$ 29,573</b>	<b>\$ 37</b>	<b>\$ 115,383</b>	<b>\$ (10,646)</b>	<b>\$ 47,387</b>	<b>\$ 5,005</b>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	65,804	29,573	37	115,383	(10,646)	47,387	5,005
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 65,804</b>	<b>\$ 29,573</b>	<b>\$ 37</b>	<b>\$ 115,383</b>	<b>\$ (10,646)</b>	<b>\$ 47,387</b>	<b>\$ 5,005</b>

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, 2008  
 (Continued)

	Misdemeanant	Surveyor's Corner Perpetuation	Jury Pay	Federal Grant 3	Sales Disclosure	K-9	Law Enforcement
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,706	-	-
Other	25,194	8,385	-	48,550	-	725	-
<b>Total receipts</b>	<b>25,194</b>	<b>8,385</b>	<b>-</b>	<b>48,550</b>	<b>4,706</b>	<b>725</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	3,760	-	48,550	8,537	-	-
Public safety	137,946	-	-	-	-	4,081	-
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	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>137,946</b>	<b>3,760</b>	<b>-</b>	<b>48,550</b>	<b>8,537</b>	<b>4,081</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(112,752)	4,625	-	-	(3,831)	(3,356)	-
Cash and investment fund balance - beginning	36,909	32,340	2,829	-	2,352	3,999	524
Cash and investment fund balance - ending	<u>\$ (75,843)</u>	<u>\$ 36,965</u>	<u>\$ 2,829</u>	<u>\$ -</u>	<u>\$ (1,479)</u>	<u>\$ 643</u>	<u>\$ 524</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ (75,843)	\$ 36,965	\$ 2,829	\$ -	\$ (1,479)	\$ 643	\$ 524
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ (75,843)</u></b>	<b><u>\$ 36,965</u></b>	<b><u>\$ 2,829</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (1,479)</u></b>	<b><u>\$ 643</u></b>	<b><u>\$ 524</u></b>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	(75,843)	36,965	2,829	-	(1,479)	643	524
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ (75,843)</u></b>	<b><u>\$ 36,965</u></b>	<b><u>\$ 2,829</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (1,479)</u></b>	<b><u>\$ 643</u></b>	<b><u>\$ 524</u></b>

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, 2008  
 (Continued)

	Hazardous Materials	Juvenile Justice Grant	Sewer Study 1	Tobacco Settlement	Identification Security Protection	Operation Pullover	Homeland Security
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	13,003	-	-	23,730	13,650	1,225	20,851
<b>Total receipts</b>	<b>13,003</b>	<b>-</b>	<b>-</b>	<b>23,730</b>	<b>13,650</b>	<b>1,225</b>	<b>20,851</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	3,825	-	-	-	5,347	2,233	20,851
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	837	-	-	-	-
Health and welfare	-	-	-	25,214	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>3,825</b>	<b>-</b>	<b>837</b>	<b>25,214</b>	<b>5,347</b>	<b>2,233</b>	<b>20,851</b>
Excess (deficiency) of receipts over disbursements	9,178	-	(837)	(1,484)	8,303	(1,008)	-
Cash and investment fund balance - beginning	1,576	166	(2,213)	70,478	28,289	3,379	-
Cash and investment fund balance - ending	\$ 10,754	\$ 166	\$ (3,050)	\$ 68,994	\$ 36,592	\$ 2,371	\$ -
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 10,754	\$ 166	\$ (3,050)	\$ 68,994	\$ 36,592	\$ 2,371	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 10,754	\$ 166	\$ (3,050)	\$ 68,994	\$ 36,592	\$ 2,371	\$ -
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	10,754	166	(3,050)	68,994	36,592	2,371	-
Total cash and investment fund balance - December 31	\$ 10,754	\$ 166	\$ (3,050)	\$ 68,994	\$ 36,592	\$ 2,371	\$ -

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, 2008  
 (Continued)

	CEDIT Homestead Credit	Wireless Emergency Telephone System	Drug Task Force	Coroners Records	Toxicology Fee Fund	Coroners User Fund	County Subdivision
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	310	-	-
Other	691,695	136,175	10,725	2	-	-	-
<b>Total receipts</b>	<b>691,695</b>	<b>136,175</b>	<b>10,725</b>	<b>2</b>	<b>310</b>	<b>-</b>	<b>-</b>
Disbursements:							
General government	677,955	-	-	-	-	-	-
Public safety	-	166,863	9,244	-	-	-	-
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	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>677,955</b>	<b>166,863</b>	<b>9,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	13,740	(30,688)	1,481	2	310	-	-
Cash and investment fund balance - beginning	14,160	87,411	2,026	3	158	1	600
Cash and investment fund balance - ending	\$ 27,900	\$ 56,723	\$ 3,507	\$ 5	\$ 468	\$ 1	\$ 600
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 27,900	\$ 56,723	\$ 3,507	\$ 5	\$ 468	\$ 1	\$ 600
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 27,900	\$ 56,723	\$ 3,507	\$ 5	\$ 468	\$ 1	\$ 600
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	27,900	56,723	3,507	5	468	1	600
Total cash and investment fund balance - December 31	\$ 27,900	\$ 56,723	\$ 3,507	\$ 5	\$ 468	\$ 1	\$ 600

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, 2008  
 (Continued)

	Stormwater Clearing	Electrical Fee Clearing	Flood Fee Holding	Change of Venue	Courthouse Parking Lot Maintenance	Plat Map Fund	Bond Administration Fee Fund
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	6,040	-	451	-	-
Other	6,485	3,000	-	-	-	5,608	27,340
<b>Total receipts</b>	<b>6,485</b>	<b>3,000</b>	<b>6,040</b>	<b>-</b>	<b>451</b>	<b>5,608</b>	<b>27,340</b>
Disbursements:							
General government	25,983	292	4,559	-	-	5,407	-
Public safety	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>25,983</b>	<b>292</b>	<b>4,559</b>	<b>-</b>	<b>-</b>	<b>5,407</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(19,498)	2,708	1,481	-	451	201	27,340
Cash and investment fund balance - beginning	37,198	8,330	31,514	146	1,250	9,553	186,217
Cash and investment fund balance - ending	<u>\$ 17,700</u>	<u>\$ 11,038</u>	<u>\$ 32,995</u>	<u>\$ 146</u>	<u>\$ 1,701</u>	<u>\$ 9,754</u>	<u>\$ 213,557</u>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 17,700	\$ 11,038	\$ 32,995	\$ 146	\$ 1,701	\$ 9,754	\$ 213,557
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 17,700</u>	<u>\$ 11,038</u>	<u>\$ 32,995</u>	<u>\$ 146</u>	<u>\$ 1,701</u>	<u>\$ 9,754</u>	<u>\$ 213,557</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	17,700	11,038	32,995	146	1,701	9,754	213,557
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 17,700</u>	<u>\$ 11,038</u>	<u>\$ 32,995</u>	<u>\$ 146</u>	<u>\$ 1,701</u>	<u>\$ 9,754</u>	<u>\$ 213,557</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, 2008  
 (Continued)

	Wheel & Surtax	Clerk Child Support Incentive	Prosecutor Child Support Incentive	Probation Salaries Administration	County Police Pension	Juvenile Administration Fee	Sheriff Donation Special
<b>Receipts:</b>							
Taxes	\$ 896,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	4,822	-
Other	-	-	25,117	34,808	88,813	-	2,000
<b>Total receipts</b>	<b>896,785</b>	<b>-</b>	<b>25,117</b>	<b>34,808</b>	<b>88,813</b>	<b>4,822</b>	<b>2,000</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	27,892	-	5,775	-
Highways and streets	788,384	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	21,487	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>788,384</b>	<b>-</b>	<b>21,487</b>	<b>27,892</b>	<b>-</b>	<b>5,775</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	108,401	-	3,630	6,916	88,813	(953)	2,000
Cash and investment fund balance - beginning	195,020	10,384	55,798	46,122	82,082	12,568	6,894
Cash and investment fund balance - ending	<u>\$ 303,421</u>	<u>\$ 10,384</u>	<u>\$ 59,428</u>	<u>\$ 53,038</u>	<u>\$ 170,895</u>	<u>\$ 11,615</u>	<u>\$ 8,894</u>
<u>Cash and Investment Assets - December 31</u>							
Cash and investments	\$ 303,421	\$ 10,384	\$ 59,428	\$ 53,038	\$ 170,895	\$ 11,615	\$ 8,894
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<b>\$ 303,421</b>	<b>\$ 10,384</b>	<b>\$ 59,428</b>	<b>\$ 53,038</b>	<b>\$ 170,895</b>	<b>\$ 11,615</b>	<b>\$ 8,894</b>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	<u>303,421</u>	<u>10,384</u>	<u>59,428</u>	<u>53,038</u>	<u>170,895</u>	<u>11,615</u>	<u>8,894</u>
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 303,421</b>	<b>\$ 10,384</b>	<b>\$ 59,428</b>	<b>\$ 53,038</b>	<b>\$ 170,895</b>	<b>\$ 11,615</b>	<b>\$ 8,894</b>

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, 2008  
 (Continued)

	Alternative Dispute Resolution	Probation Parent Project	Clerk Incentive	Nucor Rail Spur Grant	Bioterrorism Grant	NACCHO Grant
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	40,990	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	3,940	-	12,656	-	-	-
<b>Total receipts</b>	<b>3,940</b>	<b>-</b>	<b>12,656</b>	<b>-</b>	<b>40,990</b>	<b>-</b>
<b>Disbursements:</b>						
General government	481	-	-	-	-	-
Public safety	-	-	-	-	34,019	1,764
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	18,623	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>481</b>	<b>-</b>	<b>18,623</b>	<b>-</b>	<b>34,019</b>	<b>1,764</b>
Excess (deficiency) of receipts over disbursements	3,459	-	(5,967)	-	6,971	(1,764)
Cash and investment fund balance - beginning	6,461	446	20,014	63	3,508	1,968
Cash and investment fund balance - ending	<u>\$ 9,920</u>	<u>\$ 446</u>	<u>\$ 14,047</u>	<u>\$ 63</u>	<u>\$ 10,479</u>	<u>\$ 204</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 9,920	\$ 446	\$ 14,047	\$ 63	\$ 10,479	\$ 204
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 9,920</u>	<u>\$ 446</u>	<u>\$ 14,047</u>	<u>\$ 63</u>	<u>\$ 10,479</u>	<u>\$ 204</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	9,920	446	14,047	63	10,479	204
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 9,920</u>	<u>\$ 446</u>	<u>\$ 14,047</u>	<u>\$ 63</u>	<u>\$ 10,479</u>	<u>\$ 204</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, 2008  
 (Continued)

	Prime For Life	Probation Officer Grant No. 3	Emergency Gas Award	County CPRT Child Psych	Interpreter Grant	Autopsy Report Fund
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	8,931	-	-	21,591	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	128,862	-	-
<b>Total receipts</b>	<b>-</b>	<b>8,931</b>	<b>-</b>	<b>128,862</b>	<b>21,591</b>	<b>-</b>
<b>Disbursements:</b>						
General government	-	-	-	-	5,581	-
Public safety	-	1,387	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	210,504	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>1,387</b>	<b>-</b>	<b>210,504</b>	<b>5,581</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	7,544	-	(81,642)	16,010	-
Cash and investment fund balance - beginning	571	(7,544)	550	61,577	(14,674)	3
Cash and investment fund balance - ending	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ (20,065)</u>	<u>\$ 1,336</u>	<u>\$ 3</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ 571	\$ -	\$ 550	\$ (20,065)	\$ 1,336	\$ 3
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ (20,065)</u>	<u>\$ 1,336</u>	<u>\$ 3</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	571	-	550	(20,065)	1,336	3
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 571</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ (20,065)</u>	<u>\$ 1,336</u>	<u>\$ 3</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, 2008  
 (Continued)

	Aggressive Driving	DUI Enforcement Reimbursement	JABIG Grant	Federal Motor Carrier Clerk	County Drug Free	Circuit ADR Fund
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	17,996	-	-	11,981	52,444	-
Other	-	10,769	6,171	-	-	-
<b>Total receipts</b>	<b>17,996</b>	<b>10,769</b>	<b>6,171</b>	<b>11,981</b>	<b>52,444</b>	<b>-</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	-
Public safety	18,438	10,961	7,764	-	37,891	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	10,377	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
<b>Total disbursements</b>	<b>18,438</b>	<b>10,961</b>	<b>7,764</b>	<b>-</b>	<b>48,268</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(442)	(192)	(1,593)	11,981	4,176	-
Cash and investment fund balance - beginning	2,720	1,500	-	71,946	52,680	(223)
Cash and investment fund balance - ending	<u>\$ 2,278</u>	<u>\$ 1,308</u>	<u>\$ (1,593)</u>	<u>\$ 83,927</u>	<u>\$ 56,856</u>	<u>\$ (223)</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 2,278	\$ 1,308	\$ (1,593)	\$ 83,927	\$ 56,856	\$ (223)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 2,278</u>	<u>\$ 1,308</u>	<u>\$ (1,593)</u>	<u>\$ 83,927</u>	<u>\$ 56,856</u>	<u>\$ (223)</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>2,278</u>	<u>1,308</u>	<u>(1,593)</u>	<u>83,927</u>	<u>56,856</u>	<u>(223)</u>
Total cash and investment fund balance - December 31	<u>\$ 2,278</u>	<u>\$ 1,308</u>	<u>\$ (1,593)</u>	<u>\$ 83,927</u>	<u>\$ 56,856</u>	<u>\$ (223)</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, 2008  
 (Continued)

	Superior ADR Fund	Drug Investigation	Block Equipment Grant (Sheriff Cameras)	ISP Seized Funds	Sheriff Equipment Grant	Sheriff's Commissary
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	15,000	266,002
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>266,002</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	70	-	-	13,295	231,284
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	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>13,295</b>	<b>231,284</b>
Excess (deficiency) of receipts over disbursements	-	(70)	-	-	1,705	34,718
Cash and investment fund balance - beginning	3,106	26	2,550	586	-	26,217
Cash and investment fund balance - ending	<u>\$ 3,106</u>	<u>\$ (44)</u>	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ 1,705</u>	<u>\$ 60,935</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 3,106	\$ (44)	\$ 2,550	\$ 586	\$ 1,705	\$ 60,935
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 3,106</u>	<u>\$ (44)</u>	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ 1,705</u>	<u>\$ 60,935</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>3,106</u>	<u>(44)</u>	<u>2,550</u>	<u>586</u>	<u>1,705</u>	<u>60,935</u>
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 3,106</u>	<u>\$ (44)</u>	<u>\$ 2,550</u>	<u>\$ 586</u>	<u>\$ 1,705</u>	<u>\$ 60,935</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, 2008  
 (Continued)

	Bulletproof Vest Grant	DARE	Homeland Security-Sheriff	Medical Reserve-Corp.	Probation Officer Grant	CCB Fund IV-D
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,791	-	-	-	3,398	2,177
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	333	70	9,382	-	-
<b>Total receipts</b>	<b>1,791</b>	<b>333</b>	<b>70</b>	<b>9,382</b>	<b>3,398</b>	<b>2,177</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	-
Public safety	-	226	-	405	3,398	-
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	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>226</b>	<b>-</b>	<b>405</b>	<b>3,398</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	1,791	107	70	8,977	-	2,177
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 1,791</u>	<u>\$ 107</u>	<u>\$ 70</u>	<u>\$ 8,977</u>	<u>\$ -</u>	<u>\$ 2,177</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ 1,791	\$ 107	\$ 70	\$ 8,977	\$ -	\$ 2,177
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 1,791</u>	<u>\$ 107</u>	<u>\$ 70</u>	<u>\$ 8,977</u>	<u>\$ -</u>	<u>\$ 2,177</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	1,791	107	70	8,977	-	2,177
Total cash and investment fund balance - December 31	<u>\$ 1,791</u>	<u>\$ 107</u>	<u>\$ 70</u>	<u>\$ 8,977</u>	<u>\$ -</u>	<u>\$ 2,177</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, 2008  
 (Continued)

	Sheriff Equipment Grant (Radios)	Cumulative Bridge	Cumulative Capital Development	Drain Improvement	Jail Bond	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ 632,261	\$ 520,279	\$ -	\$ 1,728,288	\$ 4,237,939
Intergovernmental	-	868	-	-	-	476,116
Charges for services	-	-	-	-	-	186,562
Fines and forfeits	-	-	-	-	-	618,354
Other	-	-	-	428,448	-	3,046,727
<b>Total receipts</b>	<b>-</b>	<b>633,129</b>	<b>520,279</b>	<b>428,448</b>	<b>1,728,288</b>	<b>8,565,698</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	1,585,290
Public safety	-	-	-	-	1,331,800	2,848,003
Highways and streets	-	-	-	-	-	940,338
Sanitation	-	-	-	-	-	837
Health and welfare	-	-	-	-	-	500,058
Culture and recreation	-	-	-	-	-	164,100
Debt service:						
Principal	-	-	-	-	-	315,536
Capital outlay:						
General government	-	-	781,599	432,355	-	1,213,954
Public safety	-	-	-	-	-	31,086
Highways and streets	-	694,025	-	-	-	694,025
Health and welfare	-	-	-	-	-	4,272
<b>Total disbursements</b>	<b>-</b>	<b>694,025</b>	<b>781,599</b>	<b>432,355</b>	<b>1,331,800</b>	<b>8,297,499</b>
Excess (deficiency) of receipts over disbursements	-	(60,896)	(261,320)	(3,907)	396,488	268,199
Cash and investment fund balance - beginning	756	813,015	2,601,842	119,313	359,611	7,607,212
Cash and investment fund balance - ending	<u>\$ 756</u>	<u>\$ 752,119</u>	<u>\$ 2,340,522</u>	<u>\$ 115,406</u>	<u>\$ 756,099</u>	<u>\$ 7,875,411</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ 756	\$ -	\$ 2,340,522	\$ -	\$ -	\$ 5,546,392
Restricted assets:						
Cash and investments	-	752,119	-	115,406	756,099	2,329,019
<b>Total cash and investment assets - December 31</b>	<u>\$ 756</u>	<u>\$ 752,119</u>	<u>\$ 2,340,522</u>	<u>\$ 115,406</u>	<u>\$ 756,099</u>	<u>\$ 7,875,411</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,883
Highways and streets	-	-	-	-	-	228,559
Health and welfare	-	-	-	-	-	113,953
Debt service	-	-	-	-	756,099	756,099
Capital outlay	-	752,119	-	115,406	-	867,525
Unrestricted	<u>756</u>	<u>-</u>	<u>2,340,522</u>	<u>-</u>	<u>-</u>	<u>5,546,392</u>
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 756</u>	<u>\$ 752,119</u>	<u>\$ 2,340,522</u>	<u>\$ 115,406</u>	<u>\$ 756,099</u>	<u>\$ 7,875,411</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	Congressional School Interest	Payroll	Ambulance/ EMS	Tax Distribution	Clerk	Treasurer	Sheriff	Recorder
Additions:								
Agency fund additions	\$ 849	\$ 3,041,060	\$ 3,870	\$ 67,912,496	\$ 3,701,837	\$ 50,060,361	\$ 1,304,707	\$ 150,354
Deductions:								
Agency fund deductions	923	3,099,141	3,870	69,388,920	3,656,764	59,685,622	1,312,335	150,354
Excess (deficiency) of total additions over total deductions	(74)	(58,081)	-	(1,476,424)	45,073	(9,625,261)	(7,628)	-
Cash and investment fund balance - beginning	634	65,956	-	2,130,621	610,387	15,308,100	181,701	-
Cash and investment fund balance - ending	\$ 560	\$ 7,875	\$ -	\$ 654,197	\$ 655,460	\$ 5,682,839	\$ 174,073	\$ -

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Inmate Trust	Work Release	Probation	Health Department	LOIT Homestead Credit	LOIT PTRC	State Homestead	Totals
Additions:								
Agency fund additions	\$ 264,500	\$ 45,452	\$ 345,605	\$ 59,025	\$ 6,859,306	\$ 1,383,389	\$ 2,450,017	\$ 137,582,828
Deductions:								
Agency fund deductions	261,959	68,535	346,863	58,821	6,748,657	1,353,072	2,443,545	148,579,381
Excess (deficiency) of total additions over total deductions	2,541	(23,083)	(1,258)	204	110,649	30,317	6,472	(10,996,553)
Cash and investment fund balance - beginning	9,462	83,478	14,427	-	-	-	-	18,404,766
Cash and investment fund balance - ending	<u>\$ 12,003</u>	<u>\$ 60,395</u>	<u>\$ 13,169</u>	<u>\$ 204</u>	<u>\$ 110,649</u>	<u>\$ 30,317</u>	<u>\$ 6,472</u>	<u>\$ 7,408,213</u>

MONTGOMERY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

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	\$ 14,703,607	\$ 1,329,800
Photocopier Lease	28,561	6,948
Sheriff's Vehicles	14,482	15,440
Bonds payable:		
Revenue bonds:		
911 Telephone System Bonds	367,000	66,526
Loans payable:		
2006 Caterpillar Excavator	64,394	23,339
2007 Caterpillar Excavator	120,554	32,851
Drainage Reconstruction Loan 1	73,136	16,286
Drainage Reconstruction Loan 2	65,093	-
Drainage Reconstruction Loan 3	143,335	-
Drainage Reconstruction Loan 4	58,635	-
 Total governmental activities debt	 <u>\$ 15,638,797</u>	 <u>\$ 1,491,190</u>

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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](http://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 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, 2008. 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, 2008.

### 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 26, 2009

MONTGOMERY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

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	\$ 6,171
Edward Byrne Memorial Justice Assistance Grant	16.738	04-DB-068	13,295
Total for federal grantor agency			19,466
<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)	16,490 32,443
Total for cluster			48,933
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety	20.600	OP-08-01-01-65 154HE-2008-08-01-19	2,233 18,438
Total for program			20,671
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	K8-2008-02-03-20	10,961
Total for federal grantor agency			80,565
<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	FY 08	34,019
Pass-Through Indiana Department of Child Services Child Support Enforcement Prosecutor Clerk General	93.563		186,296 37,532 84,257
Total for program			308,085
Total for federal grantor agency			342,104
<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 06 FY 07	3,825 20,851
Total for cluster			24,676
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (B)	97.036	FY 08	110,827
Total for federal grantor agency			135,503
Total federal awards expended			\$ 577,638

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

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
Significant deficiencies 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
Significant deficiencies 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
93.563	Child Support Enforcement

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 26, 2009, with Michelle R. Cash, Auditor; Harry A. Siamas, President of the Board of County Commissioners; and Richard Chastain, County Councilman.