

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

ANNUAL FINANCIAL REPORT

2009

MORGAN COUNTY, INDIANA



FILED

08/13/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda Adams	01-01-09 to 12-31-10
Treasurer	Dena Burkett	01-01-09 to 12-31-12
Clerk	Marquerite (Peggy) Mayfield	01-01-09 to 12-31-10
Sheriff	Robert Gardner	01-01-09 to 12-31-10
Recorder	Pamela Kivett	01-01-09 to 12-31-12
President of the Board of County Commissioners	Norman Voyles	01-01-09 to 12-31-10
President of the County Council	Kenneth L. Hale	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF MORGAN COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County (County), as of and for the year ended December 31, 2009, 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.

As discussed in Note I, the financial statements referred to above do not include a number of component units of the County which should have been included to fairly present the financial position of the County.

In our opinion, except that the omission of the component units of the County referred to in the preceding paragraph results in incomplete presentation, 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, 2009, 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 May 19, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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.

Included in the financial statements are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subjected to an annual examination performed by State Board of Accounts and, in our opinion, are 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 Schedule, 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

May 19, 2010



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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 MORGAN COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morgan County (County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 19, 2010. The opinions to the financial statements were qualified due to the omission of a number of component units of the County, which results in incomplete presentation. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

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, Board of County Commissioners, County Council, 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

May 19, 2010

MORGAN COUNTY
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>			<u>Net (Disbursement) Receipt and Changes in Net Assets</u>
		Charges for	Operating	Capital	
		Services	Grants and	Grants and	Primary
			Contributions	Contributions	Governmental
					Governmental
					Activities
Primary government:					
Governmental activities:					
General government	\$ 15,897,329	\$ 1,202,187	\$ 768,342	\$ -	\$ (13,926,800)
Public safety	6,282,893	1,912,797	44,092	81,146	(4,244,858)
Highways and streets	3,908,376	-	2,075,512	573,205	(1,259,659)
Health and welfare	976,465	95,660	151,494	-	(729,311)
Economic development	-	-	-	86,700	86,700
Culture and recreation	10,157	-	-	-	(10,157)
	<u>\$ 27,075,220</u>	<u>\$ 3,210,644</u>	<u>\$ 3,039,440</u>	<u>\$ 741,051</u>	<u>(20,084,085)</u>
Total primary government					
General receipts:					
Property taxes					7,203,912
Income taxes					5,226,804
Intergovernmental					2,632,163
Other local sources					5,967,349
Net proceeds from borrowings					6,930,000
Grants and contributions not restricted to specific programs					2,089,343
Investment earnings					475,554
					<u>30,525,125</u>
					10,441,040
					<u>30,723,413</u>
					<u>\$ 41,164,453</u>
<u>Assets</u>					
Cash and investments					\$ 28,967,191
Cash with fiscal agent					320,448
Restricted assets:					
Cash and investments					11,876,814
					<u>\$ 41,164,453</u>
<u>Net Assets</u>					
Restricted for:					
Public safety					\$ 1,249,909
Highways and streets					1,732,326
Health and welfare					189,365
Capital outlay					8,705,214
Other purposes					320,448
Unrestricted					28,967,191
					<u>\$ 41,164,453</u>

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

MORGAN 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, 2009

	General	Rainy Day	County Public Safety	Jail Bond Proceeds	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 11,036,149	\$ 840,642	\$ 2,014,694	\$ -	\$ 3,900,291	\$ 17,791,776
Licenses and permits	58,076	-	-	-	-	58,076
Intergovernmental	875,315	-	-	-	5,790,209	6,665,524
Charges for services	1,070,316	-	-	-	1,286,530	2,356,846
Fines and forfeits	302,499	-	-	-	387,867	690,366
Other	602,813	-	-	-	513,412	1,116,225
Total receipts	13,945,168	840,642	2,014,694	-	11,878,309	28,678,813
Disbursements:						
General government	8,152,213	-	114,839	-	3,974,927	12,241,979
Public safety	4,778,315	-	-	-	1,100,045	5,878,360
Highways and streets	-	-	-	-	3,703,981	3,703,981
Health and welfare	214,848	-	-	-	756,990	971,838
Culture and recreation	9,092	-	-	-	-	9,092
Capital outlay:						
General government	293,394	-	277,943	-	1,082,136	1,653,473
Public safety	21,727	-	-	-	382,806	404,533
Highways and streets	-	-	-	-	204,395	204,395
Health and welfare	-	-	-	-	4,627	4,627
Culture and recreation	1,065	-	-	-	-	1,065
Total disbursements	13,470,654	-	392,782	-	11,209,907	25,073,343
Excess of receipts over disbursements	474,514	840,642	1,621,912	-	668,402	3,605,470
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	6,930,000	-	6,930,000
Transfers in	-	1,472,072	-	-	1,894,703	3,366,775
Transfers out	-	-	-	-	(3,366,775)	(3,366,775)
Other receipts	6,583	-	-	-	68,306	74,889
Total other financing sources (uses)	6,583	1,472,072	-	6,930,000	(1,403,766)	7,004,889
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	481,097	2,312,714	1,621,912	6,930,000	(735,364)	10,610,359
Cash and investment fund balance - beginning	4,617,952	2,714,256	1,860,277	-	21,041,161	30,233,646
Cash and investment fund balance - ending	\$ 5,099,049	\$ 5,026,970	\$ 3,482,189	\$ 6,930,000	\$ 20,305,797	40,844,005
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						320,448
Net assets of governmental activities						<u>\$ 41,164,453</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,099,049	\$ 5,026,970	\$ 3,482,189	\$ 6,930,000	\$ 8,428,983	\$ 28,967,191
Restricted assets:						
Cash and investments	-	-	-	-	11,876,814	11,876,814
Total cash and investment assets - ending	\$ 5,099,049	\$ 5,026,970	\$ 3,482,189	\$ 6,930,000	\$ 20,305,797	\$ 40,844,005
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 1,249,909	\$ 1,249,909
Highways and streets	-	-	-	-	1,732,326	1,732,326
Health and welfare	-	-	-	-	189,365	189,365
Capital outlay	-	-	-	-	8,705,214	8,705,214
Unrestricted	5,099,049	5,026,970	3,482,189	6,930,000	8,428,983	28,967,191
Total cash and investment fund balance - ending	\$ 5,099,049	\$ 5,026,970	\$ 3,482,189	\$ 6,930,000	\$ 20,305,797	\$ 40,844,005

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

MORGAN COUNTY
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2009

	<u>Internal Service Funds</u>
Operating receipts:	
Insurance contributions	\$ 1,611,135
Other	<u>221,423</u>
Total operating receipts	<u>1,832,558</u>
Operating disbursements:	
Insurance premiums	256,958
Insurance benefits	1,660,837
Other	<u>84,082</u>
Total operating disbursements	<u>2,001,877</u>
Deficiency of operating receipts over operating disbursements	<u>(169,319)</u>
Cash and investment fund balance - beginning	<u>489,767</u>
Cash and investment fund balance - ending	<u>\$ 320,448</u>
<u>Cash and Investment Assets - December 31</u>	
Cash with fiscal agent	<u>\$ 320,448</u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u>\$ 320,448</u>

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

MORGAN COUNTY
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 294,342	
Plan members	<u>34,980</u>	
Total contributions	<u>329,322</u>	
Investment earnings:		
Interest	<u>102,916</u>	
Less investment disbursements	<u>(233,964)</u>	
Net investment earnings	<u>(131,048)</u>	
Total additions	<u>198,274</u>	
Deductions:		
Benefits	163,751	
Administrative and general	<u>48,381</u>	
Total deductions	<u>212,132</u>	
Deficiency of total additions over total deductions	(13,858)	
Cash and investment fund balance - beginning	<u>4,134,020</u>	
Cash and investment fund balance - ending	<u>\$ 4,120,162</u>	<u>\$ 7,233,217</u>

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

MORGAN 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:	Morgan County
Discretely Presented Component Units:	Morgan County Hospital and Medical Center Morgan County Solid Waste District Monroe Township Fire Protection District Harrison Township Fire Protection District

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

The Morgan County Hospital and Medical Center, Morgan County Solid Waste District, Monroe Township Fire Protection District and Harrison Township Fire Protection District have been omitted from these financial statements. Accordingly, the financial statements do not include the data of all of the County's component units necessary to fairly present the financial position of the County.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The discretely presented component units are presented below:

Morgan County Hospital and Medical Center: The Morgan County Hospital and Medical Center is a significant discretely presented component unit of the County. The County appoints a voting majority of the Morgan County Hospital and Medical Center's board and a financial benefit/burden relationship exists between the County and the Morgan County Hospital and Medical Center.

Morgan County Solid Waste District: The Morgan County Solid Waste District is a significant discretely presented component unit of the County. The County appoints a voting majority of the Morgan County Solid Waste District's board and is able to impose its will.

Monroe Township Fire Protection District: The Monroe Township Fire Protection District is a significant discretely presented component unit of the County. The County appoints a voting majority of the Monroe Township Fire Protection District's board and is able to impose its will.

Harrison Township Fire Protection District: The Harrison Township Fire Protection District is a significant discretely presented component unit of the County. The County appoints a voting majority of the Harrison Township Fire Protection District's board and is able to impose its will.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The County's officials are also responsible for appointing the voting majority 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 voting majority of the Morgan County Library, Hoosier Heartland RC&D, Mooresville Public Library, Morgan County Economic Development Commission, and Morgan County Economic Development Corporation.

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.

The Rainy Day Fund is used to account for transfers of unused and unencumbered funds under Indiana Code 36-1-8-5. The rainy day funds may be used solely for the operation of the County and its various departments, including, but not limited to, salaries and wages, costs of services, supplies, equipment, capital improvements, repairs and similar expenditures.

The county public safety fund is used for payroll and capital expenditures of the Sheriff's Department.

The jail bond proceeds fund will be used for payments for the Jail Construction Project.

Additionally, the County reports the following fund types:

The internal service fund consists of the activities of the self-insurance fund which charges a premium to each fund that has a payroll budget, based on the number of full-time employees paid from that fund as of January 1.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The pension trust funds account for the activities of the sheriff's retirement trust and sheriff's benefit pension funds, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the County as an agent for individuals, private organizations, and other governments.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. Taxable property is assessed at 100% of the true tax value (determined in

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the County on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. 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."

When both restricted and unrestricted resources are available for use, the County's policy is to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Operating Receipts and Disbursements

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

F. Internal and Interfund 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

1. 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component units are reported as if they were external transactions and are classified separately from internal activities within the primary government.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

At December 31, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009
Driving Under the Influence Task Force	\$ 945
Health Bioterrorism 2008-2009	10,080
Local Health Bioterrorism	38
Operation Pullover	3,619
Prosecutor/Victim Advocate Grant 2007-2008	16,972
Recreational Trails Program	13,392
Stop Violence Against Women	6,602

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. The funds with deficit balances are reimbursable grants that have not received their reimbursement by December 31, 2009.

MORGAN 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. IC 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. The County does not have a deposit policy for custodial credit risk. At December 31, 2009, the County had deposit balances in the amount of \$52,517,832.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2009, the County and 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	\$ 634,927
U.S. agencies	304,006
Mutual funds	465,790
Corporate bonds	208,518
Common stock	2,506,921
Total	\$ 4,120,162

Statutory Authorization for Investments

IC 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

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

funds held by the County and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust 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 investment policy for the Sheriff's Retirement and Benefit Pension Plans was adopted by the Sheriff's Merit Board on December 10, 2002. Authorized investments include corporate stock, corporate debt securities, government enterprises and certain other types of investments.

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 an investment policy for custodial credit risk for investments.

The following investments held by the Sheriff's Retirement and Benefit Pension Plans were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Sheriff's Retirement and Benefit Pension Plans:

<u>Investment Type</u>	<u>Not in the Government's Name</u>
U.S. treasuries and securities	\$ 634,927
U.S. agencies	304,006
Mutual funds	465,790
Corporate bonds	208,518
Common stock	<u>2,506,921</u>
Total	<u>\$ 4,120,162</u>

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 County does not have a formal investment policy for interest rate risk for investments.

The Sheriff's Merit Board has not adopted a formal investment policy for interest rate risk.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ 228,234	\$ -	\$ 406,693
U.S. agencies	-	39,665	264,341
Corporate bonds	-	12,651	195,867
Totals	<u>\$ 228,234</u>	<u>\$ 52,316</u>	<u>\$ 866,901</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 County does not have a formal investment policy for credit risk for investments.

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

Sheriff's Retirement and Benefit Pension Plans:

Standard and Poor's Rating	Moody's Rating	County's Investments		
		Corporate Bonds	Common Stock	U.S. Agencies
AAA	Aaa	\$ 10,890	\$ -	\$ -
AA	Aa	10,174	-	-
A	A	97,521	-	-
BBB	Baa	37,756	-	-
Unrated	Unrated	52,177	2,506,920	304,006
Totals		<u>\$ 208,518</u>	<u>\$ 2,506,920</u>	<u>\$ 304,006</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.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Foreign Currency Risk

The County does not have a formal policy in regards to foreign currency risk.

The Sheriff's Merit Board has not adopted a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Other Governmental Funds	Rainy Day	\$ 1,472,072
Other Governmental Funds	Other Governmental Funds	1,894,703
Total		\$ 3,366,775

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

Fund balances in Family and Children and Children Psychiatric Residential Treatment were transferred to the Levy Excess fund and then transferred to the Rainy Day Fund.

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, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents

The County has chosen to establish a risk financing fund for risks associated with Medical Benefits. The risk financing fund is accounted for in the Morgan County Group Insurance Trust Fund, an internal service fund, where assets are set aside for claim settlements. The County purchases commercial insurance for claims in excess of coverage provided by the fund. Amounts are paid into the fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current year payroll as it relates to total payroll, and are reported as quasi-external interfund transactions.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Job Related Illnesses or Injuries to Employees

During 1990, the County joined with other governmental entities in the Indiana Public Employer's Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The County pays an annual premium to the risk pool for its job related illnesses or injuries for 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.

D. Subsequent Events

The county was awarded a federal grant from homeland security for \$3,029,006 to purchase flood damage properties. They received a CDBG grant for the matching 25% in the amount of \$1,009,669.

E. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the County during the period were \$309,368.

MORGAN COUNTY
NOTES TO FINANCIAL STATEMENTS
(Continued)

b. County Police Retirement Plan

Plan Description

The County contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The contributions made by the County during the period were \$294,342.

c. County Police Benefit Plan

Plan Description

The County contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The contributions made by the County during the period were \$15,026.

MORGAN 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)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 6,681,900	\$ 7,489,752	\$ (807,852)	89%	\$ 6,387,843	(13%)
07-01-08	7,254,286	8,327,318	(1,073,032)	87%	6,676,913	(16%)
07-01-09	7,160,524	9,124,528	(1,964,004)	78%	7,371,704	(27%)

County Police Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-05	\$ 2,610,094	\$ 3,118,033	\$ (507,939)	84%	\$ 841,600	(60%)
01-01-06	3,055,002	3,499,887	(444,885)	87%	882,136	(50%)
01-01-07	3,596,265	3,997,990	(401,725)	90%	932,273	(43%)
01-01-08	4,142,647	5,284,789	(1,142,142)	78%	1,000,828	(114%)
01-01-09	3,987,782	5,773,794	(1,786,012)	69%	1,059,684	(169%)
01-01-10	4,345,551	6,161,823	(1,816,272)	71%	1,080,719	(168%)

MORGAN 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, 2009

	Local Road and Street	Accident Report	Firearms Training	Health	Law Enforcement Continuing Education	Clerk's Records Perpetuation	Emergency Telephone System
Receipts:							
Taxes	\$ 132,305	\$ -	\$ -	\$ 448,905	\$ -	\$ -	\$ -
Intergovernmental	1,054,972	-	-	56,826	-	-	-
Charges for services	-	3,716	60,347	96,075	-	-	346,242
Fines and forfeits	-	-	-	-	2,362	10,069	-
Other	-	-	234	10,659	-	-	35
Total receipts	1,187,277	3,716	60,581	612,465	2,362	10,069	346,277
Disbursements:							
General government	-	-	-	-	-	6,953	-
Public safety	-	2,526	42,577	-	20,797	-	463,502
Highways and streets	855,330	-	-	-	-	-	-
Health and welfare	-	-	-	516,346	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	349	-	-	-	-	353,850
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	3,947	-	-	-
Total disbursements	855,330	2,875	42,577	520,293	20,797	6,953	817,352
Excess (deficiency) of receipts over disbursements	331,947	841	18,004	92,172	(18,435)	3,116	(471,075)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	25,381
Total other financing sources (uses)	-	-	-	-	-	-	25,381
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	331,947	841	18,004	92,172	(18,435)	3,116	(445,694)
Cash and investment fund balance - beginning	967,142	7,891	21,077	97,193	22,423	30,925	1,695,603
Cash and investment fund balance - ending	\$ 1,299,089	\$ 8,732	\$ 39,081	\$ 189,365	\$ 3,988	\$ 34,041	\$ 1,249,909
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 8,732	\$ 39,081	\$ -	\$ 3,988	\$ 34,041	\$ -
Restricted assets:							
Cash and investments	1,299,089	-	-	189,365	-	-	1,249,909
Total cash and investment assets - ending	\$ 1,299,089	\$ 8,732	\$ 39,081	\$ 189,365	\$ 3,988	\$ 34,041	\$ 1,249,909
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,249,909
Highways and streets	1,299,089	-	-	-	-	-	-
Health and welfare	-	-	-	189,365	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	8,732	39,081	-	3,988	34,041	-
Total cash and investment fund balance - ending	\$ 1,299,089	\$ 8,732	\$ 39,081	\$ 189,365	\$ 3,988	\$ 34,041	\$ 1,249,909

MORGAN 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, 2009
 (Continued)

	Drug Free Community	Emergency Planning and Right to Know	Highway	Property Reassessment	Extradition	Juvenile Probation Service	Adult Probation Services
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 282,424	\$ -	\$ -	\$ -
Intergovernmental	-	4,490	2,341,755	35,752	-	-	-
Charges for services	-	-	-	-	-	18,047	285,056
Fines and forfeits	70,720	-	-	-	4,369	-	-
Other	-	-	-	47,601	-	-	-
Total receipts	70,720	4,490	2,341,755	365,777	4,369	18,047	285,056
Disbursements:							
General government	-	-	-	500,694	-	-	-
Public safety	46,506	246	-	-	4,369	44,445	223,192
Highways and streets	-	-	2,564,905	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	22,099	-	-	-
Public safety	12,800	5,440	-	-	-	-	-
Highways and streets	-	-	45,424	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	59,306	5,686	2,610,329	522,793	4,369	44,445	223,192
Excess (deficiency) of receipts over disbursements	11,414	(1,196)	(268,574)	(157,016)	-	(26,398)	61,864
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	273
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	29,117	-	-	-	-
Total other financing sources (uses)	-	-	29,117	-	-	-	273
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,414	(1,196)	(239,457)	(157,016)	-	(26,398)	62,137
Cash and investment fund balance - beginning	108,200	36,880	672,694	2,973,429	-	32,872	731,995
Cash and investment fund balance - ending	\$ 119,614	\$ 35,684	\$ 433,237	\$ 2,816,413	\$ -	\$ 6,474	\$ 794,132
Cash and Investment Assets - Ending							
Cash and investments	\$ 119,614	\$ 35,684	\$ -	\$ 2,816,413	\$ -	\$ 6,474	\$ 794,132
Restricted assets:							
Cash and investments	-	-	433,237	-	-	-	-
Total cash and investment assets - ending	\$ 119,614	\$ 35,684	\$ 433,237	\$ 2,816,413	\$ -	\$ 6,474	\$ 794,132
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	433,237	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	119,614	35,684	-	2,816,413	-	6,474	794,132
Total cash and investment fund balance - ending	\$ 119,614	\$ 35,684	\$ 433,237	\$ 2,816,413	\$ -	\$ 6,474	\$ 794,132

MORGAN 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, 2009
 (Continued)

	Recorder's Records Perpetuation	Family and Children	Health Maintenance	Court Appointed Special Advocate	Plat Book	Misdemeanant	Supplemental Public Defender Service
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	35,247	48,859	16,201	-	42,249	-
Charges for services	99,520	-	-	-	16,045	-	-
Fines and forfeits	-	-	-	-	-	-	52,361
Other	-	753	-	-	-	-	-
Total receipts	99,520	36,000	48,859	16,201	16,045	42,249	52,361
Disbursements:							
General government	46,737	-	-	10,988	31,907	-	-
Public safety	-	-	-	-	-	42,269	63,657
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	158,315	48,278	-	-	-	-
Capital outlay:							
General government	15,979	-	-	80	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	680	-	-	-	-
Total disbursements	62,716	158,315	48,958	11,068	31,907	42,269	63,657
Excess (deficiency) of receipts over disbursements	36,804	(122,315)	(99)	5,133	(15,862)	(20)	(11,296)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(1,418,037)	-	-	-	-	-
Other receipts	-	-	7,112	-	-	-	-
Total other financing sources (uses)	-	(1,418,037)	7,112	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,804	(1,540,352)	7,013	5,133	(15,862)	(20)	(11,296)
Cash and investment fund balance - beginning	223,552	1,540,352	42,852	7,447	62,050	209	144,319
Cash and investment fund balance - ending	<u>\$ 260,356</u>	<u>\$ -</u>	<u>\$ 49,865</u>	<u>\$ 12,580</u>	<u>\$ 46,188</u>	<u>\$ 189</u>	<u>\$ 133,023</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 260,356	\$ -	\$ 49,865	\$ 12,580	\$ 46,188	\$ 189	\$ 133,023
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 260,356	\$ -	\$ 49,865	\$ 12,580	\$ 46,188	\$ 189	\$ 133,023
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	260,356	-	49,865	12,580	46,188	189	133,023
Total cash and investment fund balance - ending	\$ 260,356	\$ -	\$ 49,865	\$ 12,580	\$ 46,188	\$ 189	\$ 133,023

MORGAN 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, 2009
 (Continued)

	Jail Commissary	Surveyor's Corner Perpetuation	Jury Pay	Sales Disclosure	Law Enforcement	Riverboat Revenue Sharing	Tobacco Settlement
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	417,342	32,525
Charges for services	-	12,840	-	6,245	-	-	-
Fines and forfeits	-	-	16,367	-	8,085	-	-
Other	150,811	-	510	-	-	-	-
Total receipts	150,811	12,840	16,877	6,245	8,085	417,342	32,525
Disbursements:							
General government	-	14,081	24,383	-	-	234,954	-
Public safety	121,075	-	-	-	9,821	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	34,051
Capital outlay:							
General government	-	-	-	1,348	-	68,046	-
Public safety	-	-	-	-	10,367	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	121,075	14,081	24,383	1,348	20,188	303,000	34,051
Excess (deficiency) of receipts over disbursements	29,736	(1,241)	(7,506)	4,897	(12,103)	114,342	(1,526)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	73	-	39	-	-
Total other financing sources (uses)	-	-	73	-	39	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,736	(1,241)	(7,433)	4,897	(12,064)	114,342	(1,526)
Cash and investment fund balance - beginning	100,016	69,237	45,328	25,258	84,576	856,786	41,128
Cash and investment fund balance - ending	<u>\$ 129,752</u>	<u>\$ 67,996</u>	<u>\$ 37,895</u>	<u>\$ 30,155</u>	<u>\$ 72,512</u>	<u>\$ 971,128</u>	<u>\$ 39,602</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 129,752	\$ 67,996	\$ 37,895	\$ 30,155	\$ 72,512	\$ 971,128	\$ 39,602
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 129,752</u>	<u>\$ 67,996</u>	<u>\$ 37,895</u>	<u>\$ 30,155</u>	<u>\$ 72,512</u>	<u>\$ 971,128</u>	<u>\$ 39,602</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	129,752	67,996	37,895	30,155	72,512	971,128	39,602
Total cash and investment fund balance - ending	<u>\$ 129,752</u>	<u>\$ 67,996</u>	<u>\$ 37,895</u>	<u>\$ 30,155</u>	<u>\$ 72,512</u>	<u>\$ 971,128</u>	<u>\$ 39,602</u>

MORGAN 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, 2009
 (Continued)

	Levy Excess	Identification Security Protection	Operation Pullover	Children's Psychiatric Residential Treatment	Wireless Emergency Telephone System	EMA Donations	County Economic Development Income Tax
Receipts:							
Taxes	\$ 46,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,834,110
Intergovernmental	-	-	10,683	-	228,409	-	185,704
Charges for services	-	26,748	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,000	235
Total receipts	46,096	26,748	10,683	-	228,409	1,000	2,020,049
Disbursements:							
General government	66,612	-	-	-	-	-	953,601
Public safety	-	-	15,063	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	440	688,534
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	66,612	-	15,063	-	-	440	1,642,135
Excess (deficiency) of receipts over disbursements	(20,516)	26,748	(4,380)	-	228,409	560	377,914
Other financing sources (uses):							
Transfers in	1,486,004	-	-	-	-	-	-
Transfers out	(1,472,072)	-	-	(67,967)	-	-	-
Other receipts	6,584	-	-	-	-	-	-
Total other financing sources (uses)	20,516	-	-	(67,967)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	26,748	(4,380)	(67,967)	228,409	560	377,914
Cash and investment fund balance - beginning	-	55,855	761	67,967	-	300	1,200,894
Cash and investment fund balance - ending	\$ -	\$ 82,603	\$ (3,619)	\$ -	\$ 228,409	\$ 860	\$ 1,578,808
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 82,603	\$ (3,619)	\$ -	\$ 228,409	\$ 860	\$ 1,578,808
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 82,603	\$ (3,619)	\$ -	\$ 228,409	\$ 860	\$ 1,578,808
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	82,603	(3,619)	-	228,409	860	1,578,808
Total cash and investment fund balance - ending	\$ -	\$ 82,603	\$ (3,619)	\$ -	\$ 228,409	\$ 860	\$ 1,578,808

MORGAN 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, 2009
 (Continued)

	County Park Development	K-9 Donation	Federal Forfeited Property	ADAPT Probation User Fees	Community Transition	Law Enforcement County User Fees	CASA Donations
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	2,580	-	-
Charges for services	-	-	-	51,080	-	-	-
Fines and forfeits	-	-	-	-	-	3,534	-
Other	-	650	-	-	-	-	-
Total receipts	-	650	-	51,080	2,580	3,534	-
Disbursements:							
General government	46,000	2,029	1,279	50,298	-	-	96
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	110	-	6,729	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	46,000	2,029	1,389	50,298	6,729	-	96
Excess (deficiency) of receipts over disbursements	(46,000)	(1,379)	(1,389)	782	(4,149)	3,534	(96)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(210)	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(210)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(46,000)	(1,379)	(1,389)	572	(4,149)	3,534	(96)
Cash and investment fund balance - beginning	46,000	2,000	5,375	64,132	11,205	-	1,630
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 621</u>	<u>\$ 3,986</u>	<u>\$ 64,704</u>	<u>\$ 7,056</u>	<u>\$ 3,534</u>	<u>\$ 1,534</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 621	\$ 3,986	\$ 64,704	\$ 7,056	\$ 3,534	\$ 1,534
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 621</u>	<u>\$ 3,986</u>	<u>\$ 64,704</u>	<u>\$ 7,056</u>	<u>\$ 3,534</u>	<u>\$ 1,534</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	621	3,986	64,704	7,056	3,534	1,534
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 621</u>	<u>\$ 3,986</u>	<u>\$ 64,704</u>	<u>\$ 7,056</u>	<u>\$ 3,534</u>	<u>\$ 1,534</u>

MORGAN 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, 2009
 (Continued)

	Community Correction Project Income 2009-2010	Special Probation Programs	Bulletproof Vests Grant	Boot Camp Fees	County Economic Development	Administration Fee (Probation)	Health Bioterrorism 2009
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	18,799	-	-	-	19,977
Charges for services	60,205	-	-	-	3,300	62,825	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	60,205	-	18,799	-	3,300	62,825	19,977
Disbursements:							
General government	26,613	-	17,800	-	50	83,896	14,454
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay:							
General government	1,604	-	-	-	-	-	5,523
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	28,217	-	17,800	-	50	83,896	19,977
Excess (deficiency) of receipts over disbursements	31,988	-	999	-	3,250	(21,071)	-
Other financing sources (uses):							
Transfers in	237,032	-	-	-	-	100	-
Transfers out	-	-	-	-	-	(10)	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	237,032	-	-	-	-	90	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	269,020	-	999	-	3,250	(20,981)	-
Cash and investment fund balance - beginning	-	130	(999)	2,663	1,600	37,448	-
Cash and investment fund balance - ending	\$ 269,020	\$ 130	\$ -	\$ 2,663	\$ 4,850	\$ 16,467	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 269,020	\$ 130	\$ -	\$ 2,663	\$ 4,850	\$ 16,467	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 269,020	\$ 130	\$ -	\$ 2,663	\$ 4,850	\$ 16,467	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	269,020	130	-	2,663	4,850	16,467	-
Total cash and investment fund balance - ending	\$ 269,020	\$ 130	\$ -	\$ 2,663	\$ 4,850	\$ 16,467	\$ -

MORGAN 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, 2009
 (Continued)

	Homeland Security Domestic Preparedness	Health Bioterrorism 2008-2009	Fatal Alcohol Crash Team	Clerk Incentive	Prosecutor Incentive	Community Correction Project Income 2008
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	78,101	23,908	-	19,541	29,398	-
Charges for services	-	-	-	13,133	2,873	107,155
Fines and forfeits	-	-	-	-	-	-
Other	-	143	-	-	-	-
Total receipts	78,101	24,051	-	32,674	32,271	107,155
Disbursements:						
General government	44,894	21,357	-	10,723	16,020	85,545
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	33,207	2,551	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	78,101	23,908	-	10,723	16,020	85,545
Excess (deficiency) of receipts over disbursements	-	143	-	21,951	16,251	21,610
Other financing sources (uses):						
Transfers in	-	-	-	-	-	171,294
Transfers out	-	-	-	-	-	(237,185)
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(65,891)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	143	-	21,951	16,251	(44,281)
Cash and investment fund balance - beginning	-	-	1,000	25,704	87,916	44,281
Cash and investment fund balance - ending	\$ -	\$ 143	\$ 1,000	\$ 47,655	\$ 104,167	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 143	\$ 1,000	\$ 47,655	\$ 104,167	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 143	\$ 1,000	\$ 47,655	\$ 104,167	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	143	1,000	47,655	104,167	-
Total cash and investment fund balance - ending	\$ -	\$ 143	\$ 1,000	\$ 47,655	\$ 104,167	\$ -

MORGAN 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, 2009
 (Continued)

	Community Correction Grant 2007-2008	Community Emergency Response Team	Operation Round Up Grant	Pre-Trial Diversion Traffic	Pre-Trial Diversion Check	Stop Violence Against Women 2008-2009
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,000	-	-	-	8,148
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	213,220	6,780	-
Other	-	-	-	-	-	-
Total receipts	-	2,000	-	213,220	6,780	8,148
Disbursements:						
General government	23,038	2,000	300	175,023	3,390	5,906
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	12,145	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	23,038	2,000	300	187,168	3,390	5,906
Excess (deficiency) of receipts over disbursements	(23,038)	-	(300)	26,052	3,390	2,242
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,038)	-	(300)	26,052	3,390	2,242
Cash and investment fund balance - beginning	23,038	-	342	142,906	9,950	(2,242)
Cash and investment fund balance - ending	\$ -	\$ -	\$ 42	\$ 168,958	\$ 13,340	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 42	\$ 168,958	\$ 13,340	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 42	\$ 168,958	\$ 13,340	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	42	168,958	13,340	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 42	\$ 168,958	\$ 13,340	\$ -

MORGAN 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, 2009
 (Continued)

	Stop Violence Against Women	Prosecutor/Victim Advocate Grant 2007-2008	Court House Clock Grant	Local Health- Bioterrorism	Community Correction Project Income 2007	Community Correction Block Grant Wiser
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	86,700
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	86,700
Disbursements:						
General government	6,602	16,972	-	38	-	186,378
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	6,602	16,972	-	38	-	186,378
Excess (deficiency) of receipts over disbursements	(6,602)	(16,972)	-	(38)	-	(99,678)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(171,294)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(171,294)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,602)	(16,972)	-	(38)	(171,294)	(99,678)
Cash and investment fund balance - beginning	-	-	1,000	-	171,294	99,678
Cash and investment fund balance - ending	<u>\$ (6,602)</u>	<u>\$ (16,972)</u>	<u>\$ 1,000</u>	<u>\$ (38)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (6,602)	\$ (16,972)	\$ 1,000	\$ (38)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (6,602)</u>	<u>\$ (16,972)</u>	<u>\$ 1,000</u>	<u>\$ (38)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(6,602)	(16,972)	1,000	(38)	-	-
Total cash and investment fund balance - ending	<u>\$ (6,602)</u>	<u>\$ (16,972)</u>	<u>\$ 1,000</u>	<u>\$ (38)</u>	<u>\$ -</u>	<u>\$ -</u>

MORGAN 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, 2009
 (Continued)

	Storm water Education	Sex and Violent Offender Administration	Driving Under the Influence Task Force	Private Collection Agency	I69 Community Planning	Communities Correction Grant 2008-2009
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	15,000	926	33,750	92,757
Charges for services	-	5,378	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	10,560	-	-	-	-	-
Total receipts	10,560	5,378	15,000	926	33,750	92,757
Disbursements:						
General government	16,642	4,200	14,648	411	33,750	73,604
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	16,642	4,200	14,648	411	33,750	73,604
Excess (deficiency) of receipts over disbursements	(6,082)	1,178	352	515	-	19,153
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,082)	1,178	352	515	-	19,153
Cash and investment fund balance - beginning	14,161	3,848	(1,297)	367	-	5,986
Cash and investment fund balance - ending	\$ 8,079	\$ 5,026	\$ (945)	\$ 882	\$ -	\$ 25,139
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 8,079	\$ 5,026	\$ (945)	\$ 882	\$ -	\$ 25,139
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 8,079	\$ 5,026	\$ (945)	\$ 882	\$ -	\$ 25,139
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	8,079	5,026	(945)	882	-	25,139
Total cash and investment fund balance - ending	\$ 8,079	\$ 5,026	\$ (945)	\$ 882	\$ -	\$ 25,139

MORGAN 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, 2009
 (Continued)

	Victim Assistance 2008-2009	Community Correction Grant	Recreational Trails Program	Painted Hills	USDA NRCS	Health H1N1
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,815	123,783	-	337,212	67,733	34,360
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	176,728	10,750	-
Total receipts	19,815	123,783	-	513,940	78,483	34,360
Disbursements:						
General government	13,647	95,595	13,392	452,616	78,483	26,857
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	2,720
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total disbursements	13,647	95,595	13,392	452,616	78,483	29,577
Excess (deficiency) of receipts over disbursements	6,168	28,188	(13,392)	61,324	-	4,783
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,168	28,188	(13,392)	61,324	-	4,783
Cash and investment fund balance - beginning	(6,168)	-	-	-	-	-
Cash and investment fund balance - ending	\$ -	\$ 28,188	\$ (13,392)	\$ 61,324	\$ -	\$ 4,783
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 28,188	\$ (13,392)	\$ 61,324	\$ -	\$ 4,783
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 28,188	\$ (13,392)	\$ 61,324	\$ -	\$ 4,783
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	28,188	(13,392)	61,324	-	4,783
Total cash and investment fund balance - ending	\$ -	\$ 28,188	\$ (13,392)	\$ 61,324	\$ -	\$ 4,783

MORGAN 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, 2009
 (Continued)

	Health H1N1 Phase 3	Heath Bioterrorism 2008-2009	Cumulative Capital Development	Cumulative Bridge	Cumulative Building	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ 532,146	\$ 297,288	\$ 327,017	\$ 3,900,291
Intergovernmental	38,002	-	147,678	37,632	41,395	5,790,209
Charges for services	-	-	9,700	-	-	1,286,530
Fines and forfeits	-	-	-	-	-	387,867
Other	-	-	68,410	-	34,333	513,412
Total receipts	38,002	-	757,934	334,920	402,745	11,878,309
Disbursements:						
General government	1,742	10,080	401,249	-	6,400	3,974,927
Public safety	-	-	-	-	-	1,100,045
Highways and streets	-	-	-	283,746	-	3,703,981
Health and welfare	-	-	-	-	-	756,990
Capital outlay:						
General government	-	-	70,705	-	150,316	1,082,136
Public safety	-	-	-	-	-	382,806
Highways and streets	-	-	-	158,971	-	204,395
Health and welfare	-	-	-	-	-	4,627
Total disbursements	1,742	10,080	471,954	442,717	156,716	11,209,907
Excess (deficiency) of receipts over disbursements	36,260	(10,080)	285,980	(107,797)	246,029	668,402
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,894,703
Transfers out	-	-	-	-	-	(3,366,775)
Other receipts	-	-	-	-	-	68,306
Total other financing sources (uses)	-	-	-	-	-	(1,403,766)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,260	(10,080)	285,980	(107,797)	246,029	(735,364)
Cash and investment fund balance - beginning	-	-	5,070,621	911,020	2,299,361	21,041,161
Cash and investment fund balance - ending	<u>\$ 36,260</u>	<u>\$ (10,080)</u>	<u>\$ 5,356,601</u>	<u>\$ 803,223</u>	<u>\$ 2,545,390</u>	<u>\$ 20,305,797</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 36,260	\$ (10,080)	\$ -	\$ -	\$ -	\$ 8,428,983
Restricted assets:						
Cash and investments	-	-	5,356,601	803,223	2,545,390	11,876,814
Total cash and investment assets - ending	\$ 36,260	\$ (10,080)	\$ 5,356,601	\$ 803,223	\$ 2,545,390	\$ 20,305,797
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,249,909
Highways and streets	-	-	-	-	-	1,732,326
Health and welfare	-	-	-	-	-	189,365
Capital outlay	-	-	5,356,601	803,223	2,545,390	8,705,214
Unrestricted	36,260	(10,080)	-	-	-	8,428,983
Total cash and investment fund balance - ending	\$ 36,260	\$ (10,080)	\$ 5,356,601	\$ 803,223	\$ 2,545,390	\$ 20,305,797

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	City and Town Court Costs	Clerk's Trust	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax	State Fines and Forfeitures
Additions:						
Agency fund additions	\$ 12,514	\$ 1,255,498	\$ 628,136	\$ 33,460	\$ 98,182	\$ 18,743
Deductions:						
Agency fund deductions	13,999	1,720,589	157,920	33,460	102,011	19,064
Excess (deficiency) of total additions over total deductions	(1,485)	(465,091)	470,216	-	(3,829)	(321)
Cash and investment fund balance - beginning	7,229	1,610,510	1,295	-	63,054	2,716
Cash and investment fund balance - ending	<u>\$ 5,744</u>	<u>\$ 1,145,419</u>	<u>\$ 471,511</u>	<u>\$ -</u>	<u>\$ 59,225</u>	<u>\$ 2,395</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Overweight Vehicle Fines	Recorder	Sheriff	Infraction Judgements	Inheritance Tax	Homestead Credit (Local Option)
Additions:						
Agency fund additions	\$ 2,928	\$ 345,206	\$ 2,387,177	\$ 238,864	\$ 1,017,530	\$ 11,901,444
Deductions:						
Agency fund deductions	2,043	343,433	2,388,309	239,123	1,069,668	11,901,444
Excess (deficiency) of total additions over total deductions	885	1,773	(1,132)	(259)	(52,138)	-
Cash and investment fund balance - beginning	-	25,037	39,222	16,048	210,568	-
Cash and investment fund balance - ending	\$ 885	\$ 26,810	\$ 38,090	\$ 15,789	\$ 158,430	\$ -

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Property Tax Replacement and Homestead Credit	Probation Department	Payroll	Public Employees Retirement Withholdings	Payroll Withholding- Insurance	Payroll Withholding Life Insurance
Additions:						
Agency fund additions	\$ 3,967,147	\$ 685,825	\$ 9,380,311	\$ 747,717	\$ 63,004	\$ 27,972
Deductions:						
Agency fund deductions	<u>3,967,147</u>	<u>669,811</u>	<u>9,380,385</u>	<u>729,860</u>	<u>63,004</u>	<u>27,899</u>
Excess (deficiency) of total additions over total deductions	-	16,014	(74)	17,857	-	73
Cash and investment fund balance - beginning	<u>-</u>	<u>87,168</u>	<u>74</u>	<u>196,425</u>	<u>-</u>	<u>1,026</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 103,182</u>	<u>\$ -</u>	<u>\$ 214,282</u>	<u>\$ -</u>	<u>\$ 1,099</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Payroll Insurance- Other	Special Death Benefit	Education Plate Fees	Financial Institution Tax Distributions	Payroll Withholding Sheriff Retirement	Wheel Tax
Additions:						
Agency fund additions	\$ 164,011	\$ 6,710	\$ 1,613	\$ 180,045	\$ 33,846	\$ 184,401
Deductions:						
Agency fund deductions	164,011	6,890	1,613	180,045	33,846	184,055
Excess (deficiency) of total additions over total deductions	-	(180)	-	-	-	346
Cash and investment fund balance - beginning	-	685	-	-	-	1,520
Cash and investment fund balance - ending	\$ -	\$ 505	\$ -	\$ -	\$ -	\$ 1,866

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Sur Tax	Mortgage Fees-State Share	Child Restraint Violations Fines	Commercial Vehicle Excise Tax Distribution	Welfare Trust	Homestead Credit Rebate
Additions:						
Agency fund additions	\$ 697,704	\$ 8,685	\$ 2,875	\$ 270,253	\$ -	\$ 78
Deductions:						
Agency fund deductions	671,001	8,550	2,825	270,253	7,252	-
Excess (deficiency) of total additions over total deductions	26,703	135	50	-	(7,252)	78
Cash and investment fund balance - beginning	-	512	125	-	7,252	22,552
Cash and investment fund balance - ending	<u>\$ 26,703</u>	<u>\$ 647</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,630</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	State Homestead Credit	Local Option Income Tax Property Tax Relief	Local Option Income Tax Operating Levies	Local Option Income Tax Public Safety	Tax Distribution	County Treasurer
Additions:						
Agency fund additions	\$ 1,160,950	\$ 14,758,928	\$ 2,922,954	\$ 3,653,693	\$ 55,386,721	\$ 55,769,223
Deductions:						
Agency fund deductions	<u>1,160,515</u>	<u>14,563,411</u>	<u>2,922,954</u>	<u>3,653,693</u>	<u>55,386,721</u>	<u>55,670,844</u>
Excess (deficiency) of total additions over total deductions	435	195,517	-	-	-	98,379
Cash and investment fund balance - beginning	<u>2,058</u>	<u>280,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>879,163</u>
Cash and investment fund balance - ending	<u>\$ 2,493</u>	<u>\$ 476,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 977,542</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Payroll Withholding AFLAC	Payroll Withholding United Way	Voluntary Perf Contribution Withholdings	Economic Development Income Tax Distributions	Sex and Violent Offender State	State Sales Disclosure Fees
Additions:						
Agency fund additions	\$ 49,950	\$ 898	\$ 40,617	\$ 3,569,723	\$ 598	\$ 6,365
Deductions:						
Agency fund deductions	49,762	898	36,370	3,569,723	570	6,270
Excess (deficiency) of total additions over total deductions	188	-	4,247	-	28	95
Cash and investment fund balance - beginning	3,655	-	6,832	-	36	570
Cash and investment fund balance - ending	<u>\$ 3,843</u>	<u>\$ -</u>	<u>\$ 11,079</u>	<u>\$ -</u>	<u>\$ 64</u>	<u>\$ 665</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Coroner's Continuing Education	Health Department	Interstate Compact Fee	Prosecutor's Miscellaneous Trust	Interpreter Grant	Local Option Income Tax Stabilization
Additions:						
Agency fund additions	\$ 3,715	\$ 97,200	\$ 438	\$ -	\$ -	\$ 1,454,245
Deductions:						
Agency fund deductions	3,733	76,644	475	100	160	-
Excess (deficiency) of total additions over total deductions	(18)	20,556	(37)	(100)	(160)	1,454,245
Cash and investment fund balance - beginning	380	2,301	75	275	3,250	1,930,420
Cash and investment fund balance - ending	<u>\$ 362</u>	<u>\$ 22,857</u>	<u>\$ 38</u>	<u>\$ 175</u>	<u>\$ 3,090</u>	<u>\$ 3,384,665</u>

MORGAN COUNTY
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Sheriff Inmate Trust	Plan Commission	Prosecutor- Check Deception	Economic Development Income Tax Homestead Credit	Totals
Additions:					
Agency fund additions	\$ 279,627	\$ 55,447	\$ 38,815	\$ 1,021,646	\$ 174,633,632
Deductions:					
Agency fund deductions	280,457	58,076	38,815	1,019,939	172,859,640
Excess (deficiency) of total additions over total deductions	(830)	(2,629)	-	1,707	1,773,992
Cash and investment fund balance - beginning	31,970	5,678	-	18,907	5,459,225
Cash and investment fund balance - ending	<u>\$ 31,140</u>	<u>\$ 3,049</u>	<u>\$ -</u>	<u>\$ 20,614</u>	<u>\$ 7,233,217</u>

MORGAN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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:		
Motor Grader Excavator	\$ 122,252	\$ 45,727
2 Dump Trucks	123,281	45,115
2 Dump Trucks	123,281	45,115
Revenue bonds:		
Jail Expansion & Work Release	<u>7,000,000</u>	<u>400,434</u>
Total governmental activities debt	<u>\$ 7,368,814</u>	<u>\$ 536,391</u>

MORGAN COUNTY
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual County office listed below:

Board of County Commissioners

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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

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 MORGAN COUNTY, INDIANA

Compliance

We have audited the compliance of Morgan 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, 2009. 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2009-1.

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)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

This report is intended solely for the information and use of the County's management, Board of County Commissioners, and County Council, 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

May 19, 2010

MORGAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

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 AGRICULTURE</u>			
Direct Grant			
Emergency Watershed Protection Program	10.923		
ARRA USDA 2008 EWP Flooding - Painted Hills		65-52KY-9-0025	\$ 49,658
ARRA USDA 2008 EWP Flooding - Painted Hills		65-52KY-9-0039	72,750
ARRA USDA 2008 EWP Flooding - Painted Hills		65-52KY-9-0092	214,805
ARRA USDA 2008 EWP Flooding - Lake Edgewood		65-52KY-9-0029	35,483
ARRA USDA 2008 EWP Flooding - Lake Edgewood		65-52KY-9-0093	32,250
ARRA USDA 2008 EWP Flooding - Burnett Bridge		65-52KY-8-0053	<u>41,244</u>
Total for federal grantor agency			<u>446,190</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass-Through Indiana Department of Homeland Security 2007 Public Safety Interoperable Communications Grant Program	11.555	EDS # C44P-9-295A	<u>28,920</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Office of Community and Rural Affairs Community Development Block Grant	14.228	DR1A-09-042 DR1A-09-027	2,200 <u>194,353</u>
Total for federal grantor agency			<u>196,553</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance Victim Assistance Program	16.575		<u>19,815</u>
Violence Against Women Formula Grant	16.588		<u>8,148</u>
Bulletproof Vest Partnership Program	16.607		<u>18,799</u>
Total for federal grantor agency			<u>46,762</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Bridge 139 Bridge Inspection	20.205		189,200 <u>21,865</u>
Total for cluster			<u>211,065</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Seat-Belt - Big City County	20.600	OP-09-01-02-23	<u>10,683</u>
Alcohol Impaired Driving Countermeasures Incentive Grants DUI Task Force	20.601	K8-2009-03-03-23	<u>15,000</u>
Total for cluster			<u>25,683</u>
Pass-Through Indiana Department of Natural Resources Recreational Trails Program	20.210	EDS# E10-9-503	<u>13,392</u>
Total for federal grantor agency			<u>250,140</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Sanitary Sewer Wiser Project	66.202	XP-00E37901-0	<u>86,700</u>
Total for federal grantor agency			<u>86,700</u>

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

MORGAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana State Department of Health			
Public Health Emergency Preparedness	93.069		
Health Bioterrorism 2009		A70-9-053720	19,997
Health Bioterrorism 2008		A70-9-053909	23,908
Health H1N1		A70-0-0531173	34,360
Health H1N1 Phase 3		A70-0-0531451	<u>38,001</u>
Total for program			<u>116,266</u>
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
ARRA Incentive Expenditures			31,477
Incentive Expenditures			211,933
Child Support			68,480
Indirect Expenditures			<u>63,614</u>
Total for program			<u>375,504</u>
Total for federal grantor agency			<u>491,770</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Cluster			
Citizens Corps Program	97.053		
		C44P-9-452A	<u>2,000</u>
State Homeland Security Program	97.073		
2007 SHSP		EDS#C44P-9-495A	<u>4,286</u>
Total for cluster			<u>6,286</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	109-99109-00	<u>131,145</u>
Hazard Mitigation Grant Program	97.039	C44P-9-369A	<u>30,000</u>
Emergency Management Performance Grants	97.042		
FY 2008 Local Salary Allocation		EDS#C77P-9-413A	<u>18,409</u>
Law Enforcement Terrorism Prevention Program	97.074		
Fiscal year 2007		EDS# C44P-0-034A	<u>14,894</u>
Total for federal grantor agency			<u>200,734</u>
Total federal awards expended			<u>\$ 1,747,769</u>

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

MORGAN 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 Morgan County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

MORGAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

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?	yes

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? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
10.923	Emergency Watershed Protection Program
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? yes

Section II – Financial Statement Findings

No matters are reportable.

MORGAN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Finding

FINDING 2009-1 -DAVIS BACON

Federal Agency: U.S. Department of Agriculture
Federal Program: Emergency Watershed Protection Program
CFDA Number: 10.923

Controls over the monitoring of Davis Bacon Act were not in place. Although the contracts for the project included a clause that the contractor will pay laborers who are employed to work under the contract the prevailing wage, no monitoring, reviewing or testing of wages paid were performed by the County or the Project Engineer.

29 CFR 3.2 states in part:

(b) The terms construction, prosecution, completion, or repair mean all types of work done on a particular building or work at the site thereof, including, without limitation, altering, remodeling, painting and decorating, the transporting of materials and supplies to or from the building or work by the employees of the construction contractor or construction subcontractor, and the manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work, by persons employed at the site by the contractor or subcontractor.

(e) Every person paid by a contractor or subcontractor in any manner for his labor in the construction, prosecution, completion, or repair of a public building or public work or building or work financed in whole or in part by loans or grants from the United States is employed and receiving wages, regardless of any contractual relationship alleged to exist between him and the real employer.

29 CFR 3.3 states in part:

(b) Each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each week a statement with respect to the wages paid each of its employees engaged on work covered by this part 3 and part 5 of this chapter during the preceding weekly payroll period. This statement shall be executed by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages, and shall be on form WH 348, "Statement of Compliance", or on an identical form on the back of WH 347, "Payroll (For Contractors Optional Use)" or on any form with identical wording. Sample copies of WH 347 and WH 348 may be obtained from the Government contracting or sponsoring agency, and copies of these forms may be purchased at the Government Printing Office.

(c) The requirements of this section shall not apply to any contract of \$2,000 or less.

We recommended the County establish controls to monitor compliance with the Davis-Bacon Act requirements. This would include communication to staff, contractors, and subcontractors the requirement to pay wages in accordance with the Davis-Bacon Act, monitoring and testing certified payrolls to ensure the prevailing wage was paid, and on-site visits to monitor laborer classification and wage rates.

MORGAN COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

BRENDA ADAMS
AUDITOR OF MORGAN COUNTY
180 South Main Street, Suite 104
Martinsville, IN 46151
(765) 342-1001

CORRECTIVE ACTION PLAN FOR MORGAN COUNTY
Emergency Watershed Protection Program
Agreement #65-52KY-9-0092
June 11, 2010

Date: June 14, 2010

To: State Board of Accounts
State: Indiana
County: Morgan County Commissioners
EWP Event: 2008 EWP Flooding

Re: Davis-Bacon Act

When I was notified about the requirements of the Davis-Bacon Act, in my capacity as Morgan County Auditor, I took immediate action to correct the situation. Pat Kieinski, the contact person and secretary for Painted Hills Association, was notified that their engineer, Edward Board of Fink, Roberts & Petrie, was not performing the monitoring for this process. Ms. Kieinski stated that their contract with Edward Board has been amended to include this process covering the Davis-Bacon Act. I spoke with Mr. Board on Friday, June 11, 2010, and he advised that he is in the process of auditing all past, current, and future payrolls of the contractor, Gradex, Inc. to comply with the standards of the Davis-Bacon Act.

Sincerely,



Brenda Adams
Morgan County Auditor

MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2010, with Norman Voyles, President of the Board of County Commissioners; Kenneth L. Hale, President of the County Council; and Brenda Adams, Auditor.