

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

ANNUAL FINANCIAL REPORT

2010

MONTGOMERY COUNTY, INDIANA



FILED

08/23/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Financial Statement(s): Statement(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement(s).....	10-14
Supplementary Information: Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	16-37
Schedule of Long-Term Debt	38
Other Report(s)	39
Supplemental Audit of Federal Awards: 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.....	42-43
Schedule of Expenditures of Federal Awards	44-45
Note(s) to Schedule of Expenditures of Federal Awards	46
Schedule of Findings and Questioned Costs	47-48
Auditee Prepared Schedule(s): Summary Schedule of Prior Audit Findings	49
Corrective Action Plan.....	50
Exit Conference.....	51

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle R. Cash	10-16-07 to 12-31-14
Treasurer	Donna Bowling Janet S. Johnson	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Clerk	Jennifer Bentley	01-01-09 to 12-31-12
Sheriff	Luther J. Blanton Mark A. Casteel	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Recorder	Kathy Traugher	01-01-08 to 12-31-11
President of the Board of County Commissioners	Phillip Bane	01-01-10 to 12-31-11
President of the County Council	Richard Chastain	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have audited the accompanying financial statement of Montgomery County (County), for the year ended December 31, 2010. This financial statement is the responsibility of the County's management. Our responsibility is to express opinions on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 1, 2011, 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 an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Included in the financial statement 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 Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and the Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and the Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

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

June 1, 2011



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

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have audited the financial statement of Montgomery County (County), for the year ended December 31, 2010, and have issued our report thereon dated June 1, 2011. 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be 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 statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

June 1, 2011

FINANCIAL STATEMENT(S)

MONTGOMERY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 2,942,179	\$ 10,149,691	\$ 12,332,081	\$ 759,789
Local Road And Street	525,598	375,282	137,614	763,266
Accident Report	8,618	1,845	-	10,463
Firearms Training	19,143	11,510	11,913	18,740
Health Department	169,691	110,356	205,412	74,635
Court Referral	141,944	101,085	120,593	122,436
Cert Comm Emerg Resp Team Gra	30	-	30	-
Interpreter Grant	2,800	35,810	36,732	1,878
Co Law Enforc Cont Ed	10,168	12,316	4,889	17,595
Clerk's Records Perpetuation	12,116	14,762	17,446	9,432
Mapping Fees For Bldg Dept	2,071	43,911	36,960	9,022
County Share Riverboat Money	265,348	104,397	138,723	231,022
Emeg Tx E-911	102,973	279,084	280,348	101,709
County Drug Free Fund	46,567	47,055	44,906	48,716
Drug Investigation	203	-	-	203
Drainage Maintenance	371,431	423,660	144,312	650,779
Highway	1,344,196	3,184,355	3,568,661	959,890
Property Reassessment	257,039	264,176	182,458	338,757
Ccb Fund (lv-D)	3,017	2,903	3,651	2,269
Extradition	2,326	77,259	-	79,585
Juvenile Probation Service	52,732	8,183	18,157	42,758
Adult Probation Services	307,434	166,138	281,017	192,555
Thinking For Change	1,030	-	-	1,030
Hospital Investment Fund	66,800	-	66,800	-
Recorders Perpetuation	105,553	44,388	17,327	132,614
Covered Bridge	29,573	-	-	29,573
Interstate Compact Fee Fund	37	263	263	37
Local Health Maint	130,227	79,245	69,805	139,667
County Corrections	(10,646)	-	-	(10,646)
Pretrial Diversion	35,545	68,884	79,266	25,163
Guardian Ad Litem/Court	5	23,088	21,698	1,395
Co Corrections Misd	(50,649)	25,194	-	(25,455)
Arra	-	74,087	-	74,087
Surveyor's Corner Perpetuation	30,325	7,629	14,010	23,944
Jury Pay	2,829	-	-	2,829
James Hose Storm Drain Grant	-	11,880	11,880	-
Immunization Grant 2010	-	-	6,896	(6,896)
Homeland Security Grant Sheriff	70	-	70	-
Rainy Day	1,358,373	317,230	200,000	1,475,603
Co Share Disclosure Fees	(789)	4,330	-	3,541
K-9 Gift Fund	552	14,725	15,470	(193)
Law Enforcement Assist	524	-	524	-
Hazardous Sub & Response	10,754	-	-	10,754
Juvenile Justice Jjac	166	-	332	(166)
Dare Supplies	112	216	325	3
Montgomery Co Reg Sewer Board	72,650	-	6,325	66,325
Plat Map Fund	11,794	2,507	1,157	13,144
Tobacco Settlement	69,133	23,727	29,716	63,144
H1N1	(4,541)	20,004	32,938	(17,475)
Health Grant	12,519	5,000	6,650	10,869
Ident Security Protection	32,075	13,117	33,097	12,095
Operation Pullover	1,627	1,050	1,964	713
Bulletproof Vest	1,791	-	-	1,791
Eoc Homeland Security Grant	-	9,868	9,868	-
Dui Enforcement Reimbursement	1,078	2,553	1,790	1,841
Wireless 911	358,406	158,731	133,500	383,637
Drug Task Force	1,591	-	-	1,591
Major Moves Construction	456,326	5,229	461,457	98
County Option Dog Tax	542	2,851	3,392	1
Aggressive Driving	193	11,000	13,583	(2,390)
Alternative Dispute Resolution	13,605	5,090	140	18,555
Autopsy	3	-	-	3
Block Equipment Grant	2,550	-	-	2,550
Bioterrorism Grant	8,840	10,000	9,356	9,484
Bond Administration Fee	237,904	30,677	1,993	266,588
Change Of Venue	19	-	-	19
Child Supp Prosc (Incent)	80,201	38,572	30,343	88,430
Circuit Adr Fund	(223)	-	-	(223)

The notes to the financial statement(s) are an integral part of this statement.

MONTGOMERY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS

For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Clerk Child Support (Incent)	25,076	-	25,076	-
Clerk Incentive	6,924	43,040	7,435	42,529
Coroner's Records Fund	5	-	-	5
Coroner's User Fund	1	-	-	1
County Subdivision Fund	600	-	-	600
Courthouse Parking Lot Maint.	591	-	-	591
Dare Program Training Fund	-	-	-	-
Electrical Fee Clearing Account	13,488	2,125	3,614	11,999
Emergency Gas Award	550	-	-	550
Fed Motor Carrier Clerk	99,269	10,940	-	110,209
Flood Fee Holding Account	32,557	4,641	11,649	25,549
Isp Seized Funds	586	-	-	586
Jabig Grant	(193)	-	-	(193)
Juvenile Admin Fee	12,571	5,646	1,323	16,894
Naccho Grant	204	-	-	204
Nucor Rail Spur Grant	63	-	-	63
Prime For Life	571	-	-	571
Probation Parent Project	446	-	-	446
Prob Salaries Admin Fee	49,659	25,467	4,703	70,423
Sheriff Donation Special	8,894	100	-	8,994
Equip Grant (Sheriff Lights)	1,705	-	-	1,705
Equipment Grant Radios	756	-	-	756
Storm Water Clearing Account	19,883	5,245	4,707	20,421
Superior Adr	3,106	-	3,106	-
Toxicology Fee	468	32,584	32,584	468
Clerk User Fee	58,624	72,263	76,887	54,000
Co Share Option Dog Tax	11,679	10,196	15,280	6,595
Wheel And Surtax	501,354	745,630	628,601	618,383
County Jail Bond	(461,135)	1,671,891	1,155,622	55,134
Ccd	2,113,218	749,106	1,777,759	1,084,565
Cumulative Bridge	772,327	670,008	682,681	759,654
Drain Improvement Fund	179,171	569,481	499,723	248,929
County Police Pension	260,549	87,750	-	348,299
Prin Cong School	20,081	-	-	20,081
City Court Cost	16,183	13,677	23,780	6,080
Coroner Education Fund	121	2,543	2,437	227
Interest Cong School	3,198	332	923	2,607
Surplus Tax Sale	728,732	24,314	619,590	133,456
Tax Sale Redemption	3,202	277,876	295,936	(14,858)
Surplus Tax Treasurer	150,188	119,828	74,905	195,111
Overweight Vehicle Fines	-	90	-	90
Infraction Judgements	7,157	91,968	90,977	8,148
Inheritance Tax	197,921	773,236	847,120	124,037
Family Violence & Victim Assistance	23,975	3,450	-	27,425
Military Fines	115	-	115	-
Payroll Clearing	219,690	3,590,809	3,403,206	407,293
Special Death Benefit	265	4,236	4,231	270
Ambulance	-	3,293	3,293	-
Tax Sale Sri Fee	-	23,250	9,510	13,740
Innkeepers Tax	34,118	170,058	174,176	30,000
City Fines	15,993	1,134	-	17,127
Highway Wheel Tax	-	120,043	119,843	200
Sur Tax	-	893,398	893,398	-
Homestead Credit Rebate	25,417	-	25,417	-
Tax Distribution	122,887	50,406,326	50,730,031	(200,818)
State Assess Train Fund	380	4,330	4,310	400
Fines Forfeitures	75,802	46,461	116,314	5,949
Treasurer Dog Tax	2,631	1,866	-	4,497
Excess Levy	19,399	61,871	19,761	61,509
Tax Sale Costs	(5,995)	19,655	3,989	9,671
Treasurer	3,167,877	42,300,392	44,536,595	931,674
Sheriff's Pension Trust	2,290,638	343,869	160,068	2,474,439
Work Release	41,083	14,663	18,346	37,400
Sheriff's Commissary	89,199	265,767	326,035	28,931
Sheriff's Inmate Trust	13,321	258,246	251,515	20,052
Totals	<u>\$ 20,633,243</u>	<u>\$ 120,968,007</u>	<u>\$ 126,534,409</u>	<u>\$ 15,066,841</u>

The notes to the financial statement(s) are an integral part of this statement.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement(s) present(s) the financial information for the County (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the County. It includes all expenditures for the reduction of the principal and interest of the County's general obligation indebtedness.

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The County may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the County. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the County. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the County submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the County to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The County may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the County by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

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

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

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

MONTGOMERY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. 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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, Montgomery County's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Local Road And Street	Accident Report	Firearms Training	Health Department	Court Referral	Cert Comm Emerg Resp Team Gra
Cash and investments - beginning	\$ 2,942,179	\$ 525,598	\$ 8,618	\$ 19,143	\$ 169,691	\$ 141,944	\$ 30
Receipts:							
Taxes	7,664,776	-	-	-	93,734	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	449,448	375,282	-	-	7,724	-	-
Charges for services	1,061,857	-	-	-	-	-	-
Fines and forfeits	216,994	-	-	-	-	-	-
Other receipts	756,616	-	1,845	11,510	8,898	101,085	-
Total receipts	<u>10,149,691</u>	<u>375,282</u>	<u>1,845</u>	<u>11,510</u>	<u>110,356</u>	<u>101,085</u>	<u>-</u>
Disbursements:							
Personal services	6,593,506	-	-	-	179,171	85,352	-
Supplies	512,187	-	-	-	19,764	2,864	-
Other services and charges	3,396,673	-	-	-	5,477	3,779	-
Capital outlay	317,840	137,614	-	-	1,000	24,548	-
Other disbursements	1,511,875	-	-	11,913	-	4,050	30
Total disbursements	<u>12,332,081</u>	<u>137,614</u>	<u>-</u>	<u>11,913</u>	<u>205,412</u>	<u>120,593</u>	<u>30</u>
Excess (deficiency) of receipts over disbursements	<u>(2,182,390)</u>	<u>237,668</u>	<u>1,845</u>	<u>(403)</u>	<u>(95,056)</u>	<u>(19,508)</u>	<u>(30)</u>
Cash and investments - ending	<u>\$ 759,789</u>	<u>\$ 763,266</u>	<u>\$ 10,463</u>	<u>\$ 18,740</u>	<u>\$ 74,635</u>	<u>\$ 122,436</u>	<u>\$ -</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Interpreter Grant	Co Law Enforc Cont Ed	Clerk's Records Perpetuation	Mapping Fees For Bldg Dept	County Share Riverboat Money	Emeg Tx E-911	County Drug Free Fund
Cash and investments - beginning	\$ 2,800	\$ 10,168	\$ 12,116	\$ 2,071	\$ 265,348	\$ 102,973	\$ 46,567
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	35,810	-	-	-	104,397	-	-
Charges for services	-	12,316	14,762	43,911	-	279,084	47,055
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>35,810</u>	<u>12,316</u>	<u>14,762</u>	<u>43,911</u>	<u>104,397</u>	<u>279,084</u>	<u>47,055</u>
Disbursements:							
Personal services	-	-	-	-	-	21,234	-
Supplies	-	-	-	-	-	2,600	22,745
Other services and charges	33,060	-	-	-	-	252,251	11,655
Capital outlay	-	-	17,446	-	-	-	10,455
Other disbursements	<u>3,672</u>	<u>4,889</u>	<u>-</u>	<u>36,960</u>	<u>138,723</u>	<u>4,263</u>	<u>51</u>
Total disbursements	<u>36,732</u>	<u>4,889</u>	<u>17,446</u>	<u>36,960</u>	<u>138,723</u>	<u>280,348</u>	<u>44,906</u>
Excess (deficiency) of receipts over disbursements	<u>(922)</u>	<u>7,427</u>	<u>(2,684)</u>	<u>6,951</u>	<u>(34,326)</u>	<u>(1,264)</u>	<u>2,149</u>
Cash and investments - ending	<u>\$ 1,878</u>	<u>\$ 17,595</u>	<u>\$ 9,432</u>	<u>\$ 9,022</u>	<u>\$ 231,022</u>	<u>\$ 101,709</u>	<u>\$ 48,716</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Drug Investigation	Drainage Maintenance	Highway	Property Reassessment	Ccb Fund (lv-D)	Extradition
Cash and investments - beginning	\$ 203	\$ 371,431	\$ 1,344,196	\$ 257,039	\$ 3,017	\$ 2,326
Receipts:						
Taxes	-	414,518	-	264,176	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	3,184,355	-	2,903	-
Charges for services	-	9,142	-	-	-	75,213
Fines and forfeits	-	-	-	-	-	2,046
Other receipts	-	-	-	-	-	-
Total receipts	-	423,660	3,184,355	264,176	2,903	77,259
Disbursements:						
Personal services	-	-	1,506,646	7,980	-	-
Supplies	-	-	1,315,928	2,997	-	-
Other services and charges	-	144,312	195,340	171,481	-	-
Capital outlay	-	-	550,747	-	-	-
Other disbursements	-	-	-	-	3,651	-
Total disbursements	-	144,312	3,568,661	182,458	3,651	-
Excess (deficiency) of receipts over disbursements	-	279,348	(384,306)	81,718	(748)	77,259
Cash and investments - ending	\$ 203	\$ 650,779	\$ 959,890	\$ 338,757	\$ 2,269	\$ 79,585

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Juvenile Probation Service	Adult Probation Services	Thinking For Change	Hospital Investment Fund	Recorders Perpetuation	Covered Bridge
Cash and investments - beginning	\$ 52,732	\$ 307,434	\$ 1,030	\$ 66,800	\$ 105,553	\$ 29,573
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	8,183	166,138	-	-	44,388	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>8,183</u>	<u>166,138</u>	<u>-</u>	<u>-</u>	<u>44,388</u>	<u>-</u>
Disbursements:						
Personal services	13,157	106,240	-	-	43	-
Supplies	-	9,905	-	-	568	-
Other services and charges	5,000	45,340	-	-	16,716	-
Capital outlay	-	4,532	-	-	-	-
Other disbursements	-	115,000	-	66,800	-	-
Total disbursements	<u>18,157</u>	<u>281,017</u>	<u>-</u>	<u>66,800</u>	<u>17,327</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(9,974)</u>	<u>(114,879)</u>	<u>-</u>	<u>(66,800)</u>	<u>27,061</u>	<u>-</u>
Cash and investments - ending	<u>\$ 42,758</u>	<u>\$ 192,555</u>	<u>\$ 1,030</u>	<u>\$ -</u>	<u>\$ 132,614</u>	<u>\$ 29,573</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Interstate Compact Fee Fund	Local Health Maint	County Corrections	Pretrial Diversion	Guardian Ad Litem/Court	Co Corrections Misd
Cash and investments - beginning	\$ 37	\$ 130,227	\$ (10,646)	\$ 35,545	\$ 5	\$ (50,649)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	79,245	-	-	23,088	25,194
Charges for services	263	-	-	68,884	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>263</u>	<u>79,245</u>	<u>-</u>	<u>68,884</u>	<u>23,088</u>	<u>25,194</u>
Disbursements:						
Personal services	-	28,312	-	73,479	-	-
Supplies	-	14,017	-	442	-	-
Other services and charges	-	12,476	-	3,650	-	-
Capital outlay	-	15,000	-	1,695	-	-
Other disbursements	263	-	-	-	21,698	-
Total disbursements	<u>263</u>	<u>69,805</u>	<u>-</u>	<u>79,266</u>	<u>21,698</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>9,440</u>	<u>-</u>	<u>(10,382)</u>	<u>1,390</u>	<u>25,194</u>
Cash and investments - ending	<u>\$ 37</u>	<u>\$ 139,667</u>	<u>\$ (10,646)</u>	<u>\$ 25,163</u>	<u>\$ 1,395</u>	<u>\$ (25,455)</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Arra	Surveyor's Corner Perpetuation	Jury Pay	James Hose Storm Drain Grant	Immunization Grant 2010	Homeland Security Grant Sheriff
Cash and investments - beginning	\$ -	\$ 30,325	\$ 2,829	\$ -	\$ -	\$ 70
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	11,880	-	-
Charges for services	-	7,629	-	-	-	-
Fines and forfeits	74,087	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>74,087</u>	<u>7,629</u>	<u>-</u>	<u>11,880</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	1,711	-
Other services and charges	-	-	-	-	1,255	-
Capital outlay	-	-	-	-	3,930	-
Other disbursements	-	14,010	-	11,880	-	70
Total disbursements	<u>-</u>	<u>14,010</u>	<u>-</u>	<u>11,880</u>	<u>6,896</u>	<u>70</u>
Excess (deficiency) of receipts over disbursements	<u>74,087</u>	<u>(6,381)</u>	<u>-</u>	<u>-</u>	<u>(6,896)</u>	<u>(70)</u>
Cash and investments - ending	<u>\$ 74,087</u>	<u>\$ 23,944</u>	<u>\$ 2,829</u>	<u>\$ -</u>	<u>\$ (6,896)</u>	<u>\$ -</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Rainy Day	Co Share Disclosure Fees	K-9 Gift Fund	Law Enforcement Assist	Hazardous Sub & Response	Juvenile Justice Jjac
Cash and investments - beginning	\$ 1,358,373	\$ (789)	\$ 552	\$ 524	\$ 10,754	\$ 166
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	317,230	-	-	-	-	-
Charges for services	-	4,330	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	14,725	-	-	-
Total receipts	<u>317,230</u>	<u>4,330</u>	<u>14,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	200,000	-	15,470	524	-	332
Total disbursements	<u>200,000</u>	<u>-</u>	<u>15,470</u>	<u>524</u>	<u>-</u>	<u>332</u>
Excess (deficiency) of receipts over disbursements	<u>117,230</u>	<u>4,330</u>	<u>(745)</u>	<u>(524)</u>	<u>-</u>	<u>(332)</u>
Cash and investments - ending	<u>\$ 1,475,603</u>	<u>\$ 3,541</u>	<u>\$ (193)</u>	<u>\$ -</u>	<u>\$ 10,754</u>	<u>\$ (166)</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Dare Supplies	Montgomery Co Reg Sewer Board	Plat Map Fund	Tobacco Settlement	H1N1	Health Grant
Cash and investments - beginning	\$ 112	\$ 72,650	\$ 11,794	\$ 69,133	\$ (4,541)	\$ 12,519
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	216	-	-	23,727	20,004	5,000
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	2,507	-	-	-
Total receipts	<u>216</u>	<u>-</u>	<u>2,507</u>	<u>23,727</u>	<u>20,004</u>	<u>5,000</u>
Disbursements:						
Personal services	-	-	-	12,714	12,754	1,098
Supplies	-	-	575	4,013	530	665
Other services and charges	-	6,325	582	2,400	8,285	4,887
Capital outlay	-	-	-	10,589	11,369	-
Other disbursements	325	-	-	-	-	-
Total disbursements	<u>325</u>	<u>6,325</u>	<u>1,157</u>	<u>29,716</u>	<u>32,938</u>	<u>6,650</u>
Excess (deficiency) of receipts over disbursements	<u>(109)</u>	<u>(6,325)</u>	<u>1,350</u>	<u>(5,989)</u>	<u>(12,934)</u>	<u>(1,650)</u>
Cash and investments - ending	<u>\$ 3</u>	<u>\$ 66,325</u>	<u>\$ 13,144</u>	<u>\$ 63,144</u>	<u>\$ (17,475)</u>	<u>\$ 10,869</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Ident Security Protection	Operation Pullover	Bulletproof Vest	Eoc Homeland Security Grant	Dui Enforcement Reimbursement	Wireless 911
Cash and investments - beginning	\$ 32,075	\$ 1,627	\$ 1,791	\$ -	\$ 1,078	\$ 358,406
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,050	-	9,868	2,553	-
Charges for services	13,117	-	-	-	-	158,731
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>13,117</u>	<u>1,050</u>	<u>-</u>	<u>9,868</u>	<u>2,553</u>	<u>158,731</u>
Disbursements:						
Personal services	-	1,951	-	-	-	2,500
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	107,500
Capital outlay	-	-	-	-	-	-
Other disbursements	33,097	13	-	9,868	1,790	23,500
Total disbursements	<u>33,097</u>	<u>1,964</u>	<u>-</u>	<u>9,868</u>	<u>1,790</u>	<u>133,500</u>
Excess (deficiency) of receipts over disbursements	<u>(19,980)</u>	<u>(914)</u>	<u>-</u>	<u>-</u>	<u>763</u>	<u>25,231</u>
Cash and investments - ending	<u>\$ 12,095</u>	<u>\$ 713</u>	<u>\$ 1,791</u>	<u>\$ -</u>	<u>\$ 1,841</u>	<u>\$ 383,637</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Drug Task Force	Major Moves Construction	County Option Dog Tax	Aggressive Driving	Alternative Dispute Resolution	Autopsy
Cash and investments - beginning	\$ 1,591	\$ 456,326	\$ 542	\$ 193	\$ 13,605	\$ 3
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	2,851	-	-	-
Intergovernmental	-	-	-	11,000	-	-
Charges for services	-	-	-	-	5,090	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	5,229	-	-	-	-
Total receipts	-	5,229	2,851	11,000	5,090	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	461,457	3,392	13,583	140	-
Total disbursements	-	461,457	3,392	13,583	140	-
Excess (deficiency) of receipts over disbursements	-	(456,228)	(541)	(2,583)	4,950	-
Cash and investments - ending	\$ 1,591	\$ 98	\$ 1	\$ (2,390)	\$ 18,555	\$ 3

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Block Equipment Grant	Bioterrorism Grant	Bond Administration Fee	Change Of Venue	Child Supp Prosc (Incent)	Circuit Adr Fund
Cash and investments - beginning	\$ 2,550	\$ 8,840	\$ 237,904	\$ 19	\$ 80,201	\$ (223)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	10,000	-	-	38,572	-
Charges for services	-	-	30,677	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	10,000	30,677	-	38,572	-
Disbursements:						
Personal services	-	4,000	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	276	-	-	-	-
Capital outlay	-	5,080	1,089	-	-	-
Other disbursements	-	-	904	-	30,343	-
Total disbursements	-	9,356	1,993	-	30,343	-
Excess (deficiency) of receipts over disbursements	-	644	28,684	-	8,229	-
Cash and investments - ending	\$ 2,550	\$ 9,484	\$ 266,588	\$ 19	\$ 88,430	\$ (223)

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Clerk Child Support (Incent)	Clerk Incentive	Coroner's Records Fund	Coroner's User Fund	County Subdivision Fund	Courthouse Parking Lot Maint.
Cash and investments - beginning	\$ 25,076	\$ 6,924	\$ 5	\$ 1	\$ 600	\$ 591
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	43,040	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>43,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	25,076	7,435	-	-	-	-
Total disbursements	<u>25,076</u>	<u>7,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(25,076)</u>	<u>35,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 42,529</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 600</u>	<u>\$ 591</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Dare Program Training Fund	Electrical Fee Clearing Account	Emergency Gas Award	Fed Motor Carrier Clerk	Flood Fee Holding Account	Isp Seized Funds
Cash and investments - beginning	\$ -	\$ 13,488	\$ 550	\$ 99,269	\$ 32,557	\$ 586
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	2,125	-	-	4,641	-
Fines and forfeits	-	-	-	10,940	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	2,125	-	10,940	4,641	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	3,700	-
Other services and charges	-	-	-	-	2,200	-
Capital outlay	-	-	-	-	5,749	-
Other disbursements	-	3,614	-	-	-	-
Total disbursements	-	3,614	-	-	11,649	-
Excess (deficiency) of receipts over disbursements	-	(1,489)	-	10,940	(7,008)	-
Cash and investments - ending	\$ -	\$ 11,999	\$ 550	\$ 110,209	\$ 25,549	\$ 586

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Jabig Grant	Juvenile Admin Fee	Naccho Grant	Nucor Rail Spur Grant	Prime For Life	Probation Parent Project
Cash and investments - beginning	\$ (193)	\$ 12,571	\$ 204	\$ 63	\$ 571	\$ 446
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	5,646	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	5,646	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	1,323	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	1,323	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	4,323	-	-	-	-
Cash and investments - ending	\$ (193)	\$ 16,894	\$ 204	\$ 63	\$ 571	\$ 446

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Prob Salaries Admin Fee	Sheriff Donation Special	Equip Grant (Sheriff Lights)	Equipment Grant Radios	Storm Water Clearing Account	Superior Adr
Cash and investments - beginning	\$ 49,659	\$ 8,894	\$ 1,705	\$ 756	\$ 19,883	\$ 3,106
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	5,245	-
Intergovernmental	-	-	-	-	-	-
Charges for services	25,467	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	100	-	-	-	-
Total receipts	<u>25,467</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>5,245</u>	<u>-</u>
Disbursements:						
Personal services	4,703	-	-	-	-	-
Supplies	-	-	-	-	4,187	-
Other services and charges	-	-	-	-	520	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	3,106
Total disbursements	<u>4,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,707</u>	<u>3,106</u>
Excess (deficiency) of receipts over disbursements	<u>20,764</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>538</u>	<u>(3,106)</u>
Cash and investments - ending	<u>\$ 70,423</u>	<u>\$ 8,994</u>	<u>\$ 1,705</u>	<u>\$ 756</u>	<u>\$ 20,421</u>	<u>\$ -</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Toxicology Fee	Clerk User Fee	Co Share Option Dog Tax	Wheel And Surtax	County Jail Bond	Ccd
Cash and investments - beginning	\$ 468	\$ 58,624	\$ 11,679	\$ 501,354	\$ (461,135)	\$ 2,113,218
Receipts:						
Taxes	-	-	-	745,630	933,806	344,872
Licenses and permits	-	-	10,196	-	-	-
Intergovernmental	32,584	-	-	-	76,948	58,494
Charges for services	-	72,263	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	661,137	345,740
Total receipts	<u>32,584</u>	<u>72,263</u>	<u>10,196</u>	<u>745,630</u>	<u>1,671,891</u>	<u>749,106</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	628,601	-	-
Other services and charges	19,813	-	-	-	-	945,567
Capital outlay	12,771	-	-	-	292,056	534,196
Other disbursements	-	76,887	15,280	-	863,566	297,996
Total disbursements	<u>32,584</u>	<u>76,887</u>	<u>15,280</u>	<u>628,601</u>	<u>1,155,622</u>	<u>1,777,759</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(4,624)</u>	<u>(5,084)</u>	<u>117,029</u>	<u>516,269</u>	<u>(1,028,653)</u>
Cash and investments - ending	<u>\$ 468</u>	<u>\$ 54,000</u>	<u>\$ 6,595</u>	<u>\$ 618,383</u>	<u>\$ 55,134</u>	<u>\$ 1,084,565</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Bridge	Drain Improvement Fund	County Police Pension	Prin Cong School	City Court Cost	Coroner Education Fund
Cash and investments - beginning	\$ 772,327	\$ 179,171	\$ 260,549	\$ 20,081	\$ 16,183	\$ 121
Receipts:						
Taxes	619,000	205,050	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	51,008	-	-	-	-	-
Charges for services	-	64,505	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	299,926	87,750	-	13,677	2,543
Total receipts	<u>670,008</u>	<u>569,481</u>	<u>87,750</u>	<u>-</u>	<u>13,677</u>	<u>2,543</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	143,280	-	-	-	-	-
Other services and charges	136,822	-	-	-	-	-
Capital outlay	402,579	499,723	-	-	-	-
Other disbursements	-	-	-	-	23,780	2,437
Total disbursements	<u>682,681</u>	<u>499,723</u>	<u>-</u>	<u>-</u>	<u>23,780</u>	<u>2,437</u>
Excess (deficiency) of receipts over disbursements	<u>(12,673)</u>	<u>69,758</u>	<u>87,750</u>	<u>-</u>	<u>(10,103)</u>	<u>106</u>
Cash and investments - ending	<u>\$ 759,654</u>	<u>\$ 248,929</u>	<u>\$ 348,299</u>	<u>\$ 20,081</u>	<u>\$ 6,080</u>	<u>\$ 227</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Interest Cong School	Surplus Tax Sale	Tax Sale Redemption	Surplus Tax Treasurer	Overweight Vehicle Fines	Infraction Judgements
Cash and investments - beginning	\$ 3,198	\$ 728,732	\$ 3,202	\$ 150,188	\$ -	\$ 7,157
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	332	24,314	277,876	119,828	90	91,968
Total receipts	332	24,314	277,876	119,828	90	91,968
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	923	619,590	295,936	74,905	-	90,977
Total disbursements	923	619,590	295,936	74,905	-	90,977
Excess (deficiency) of receipts over disbursements	(591)	(595,276)	(18,060)	44,923	90	991
Cash and investments - ending	\$ 2,607	\$ 133,456	\$ (14,858)	\$ 195,111	\$ 90	\$ 8,148

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Inheritance Tax	Family Violence & Victim Assistance	Military Fines	Payroll Clearing	Special Death Benefit	Ambulance
Cash and investments - beginning	\$ 197,921	\$ 23,975	\$ 115	\$ 219,690	\$ 265	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	773,236	3,450	-	3,590,809	4,236	3,293
Total receipts	773,236	3,450	-	3,590,809	4,236	3,293
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	847,120	-	115	3,403,206	4,231	3,293
Total disbursements	847,120	-	115	3,403,206	4,231	3,293
Excess (deficiency) of receipts over disbursements	(73,884)	3,450	(115)	187,603	5	-
Cash and investments - ending	\$ 124,037	\$ 27,425	\$ -	\$ 407,293	\$ 270	\$ -

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tax Sale Sri Fee	Innkeepers Tax	City Fines	Highway Wheel Tax	Sur Tax	Homestead Credit Rebate
Cash and investments - beginning	\$ -	\$ 34,118	\$ 15,993	\$ -	\$ -	\$ 25,417
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	23,250	170,058	1,134	120,043	893,398	-
Total receipts	<u>23,250</u>	<u>170,058</u>	<u>1,134</u>	<u>120,043</u>	<u>893,398</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	9,510	174,176	-	119,843	893,398	25,417
Total disbursements	<u>9,510</u>	<u>174,176</u>	<u>-</u>	<u>119,843</u>	<u>893,398</u>	<u>25,417</u>
Excess (deficiency) of receipts over disbursements	<u>13,740</u>	<u>(4,118)</u>	<u>1,134</u>	<u>200</u>	<u>-</u>	<u>(25,417)</u>
Cash and investments - ending	<u>\$ 13,740</u>	<u>\$ 30,000</u>	<u>\$ 17,127</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tax Distribution	State Assess Train Fund	Fines Forfeitures	Treasurer Dog Tax	Excess Levy	Tax Sale Costs
Cash and investments - beginning	\$ 122,887	\$ 380	\$ 75,802	\$ 2,631	\$ 19,399	\$ (5,995)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	50,406,326	4,330	46,461	1,866	61,871	19,655
Total receipts	50,406,326	4,330	46,461	1,866	61,871	19,655
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	50,730,031	4,310	116,314	-	19,761	3,989
Total disbursements	50,730,031	4,310	116,314	-	19,761	3,989
Excess (deficiency) of receipts over disbursements	(323,705)	20	(69,853)	1,866	42,110	15,666
Cash and investments - ending	\$ (200,818)	\$ 400	\$ 5,949	\$ 4,497	\$ 61,509	\$ 9,671

MONTGOMERY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Treasurer	Sheriff's Pension Trust	Work Release	Sheriff's Commissary	Sheriff's Inmate Trust	Totals
Cash and investments - beginning	\$ 3,167,877	\$ 2,290,638	\$ 41,083	\$ 89,199	\$ 13,321	\$ 20,633,243
Receipts:						
Taxes	-	-	-	-	-	11,285,562
Licenses and permits	-	-	-	-	-	18,292
Intergovernmental	-	-	-	-	-	5,000,620
Charges for services	-	-	-	-	-	2,225,417
Fines and forfeits	-	-	-	-	-	304,067
Other receipts	42,300,392	343,869	14,663	265,767	258,246	102,134,049
Total receipts	42,300,392	343,869	14,663	265,767	258,246	120,968,007
Disbursements:						
Personal services	-	-	-	-	-	8,654,840
Supplies	-	-	-	-	-	2,691,279
Other services and charges	-	-	-	-	-	5,534,965
Capital outlay	-	-	-	-	-	2,860,008
Other disbursements	44,536,595	160,068	18,346	326,035	251,515	106,793,317
Total disbursements	44,536,595	160,068	18,346	326,035	251,515	126,534,409
Excess (deficiency) of receipts over disbursements	(2,236,203)	183,801	(3,683)	(60,268)	6,731	(5,566,402)
Cash and investments - ending	\$ 931,674	\$ 2,474,439	\$ 37,400	\$ 28,931	\$ 20,052	\$ 15,066,841

MONTGOMERY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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:		
Copiers	16,498	6,946
Highway Equipment	84,749	56,190
Jail	13,985,703	1,330,644
Tank Lease	27,727	15,037
Drainage Reconstruction Loan	38,379	8,143
Sparks Drainage Reconstruction Loan	47,157	7,398
Gobin Drainage Reconstruction Loan	103,841	16,291
Stafford Drainage Reconstruction Loan	47,823	13,064
Allen Drainage Reconstruction Loan	26,815	2,950
Peterson Drainage Reconstruction Loan	147,620	16,220
Weliver Drainage Reconstruction Loan	30,615	3,364
Bonds payable:		
Revenue bonds:		
911 Telephone System	128,000	66,040
Total governmental activities debt	\$ 14,684,927	\$ 1,542,287

MONTGOMERY COUNTY
OTHER REPORT(S)

The annual report presented herein was prepared in addition to other official report(s) prepared for the individual County office(s) listed below:

County Auditor
County Sheriff
County Health Department

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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 MONTGOMERY COUNTY, INDIANA

Compliance

We have audited the compliance of Montgomery County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. 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, 2010. The results of our auditing procedures also disclosed other 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 2010-1.

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)

A deficiency 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on the response.

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

June 1, 2011

MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG-State Administered Small Cities Program Cluster Community Development Block Grant/State's Program	14.228		
Supplemental CDBG Disaster Grant		038-PL-05-053XX	\$ 11,880
		038-DRI-09-001X	<u>37,507</u>
Total for federal grantor agency			<u>49,387</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Juvenile Accountability Block Grants	16.523		32,584
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		<u>8,060</u>
Total for federal grantor agency			<u>40,644</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205		
ARRA-Highway Planning and Construction	20.205	BR-9954	76,030
Total for cluster			<u>130,911</u>
Pass-Through Indiana Criminal Justice Institute State and Community Highway Safety Cluster State and Community Highway Safety	20.600		15,547
Alcohol Impaired Driving Countermeasures	20.601	OP-08-01-01-65	1,790
Safety Belt Performance Grants	20.609		<u>6,550</u>
Total for cluster			<u>23,887</u>
Total for federal grantor agency			<u>154,798</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Department of Health Public Health Emergency Preparedness Public Health Preparedness & Response for H1N1	93.069	1H75TP000339-01	<u>20,004</u>
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	BPRS 153-2	<u>9,356</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

MONTGOMERY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(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 (continued)</u>			
Pass-Through Indiana Department of Child Services			
Child Support Enforcement	93.563		
Prosecutor			143,059
Clerk			52,431
General			<u>60,689</u>
Total for program			<u>256,179</u>
ARRA-Child Support Enforcement	93.563		
Prosecutor			81,621
Clerk			1,434
Court			<u>18,293</u>
Total for program			<u>101,348</u>
Pass-Through Indiana Secretary of State			
Voting Access for Individuals with Disabilities-State Grants	93.617	54-HHS-2009	<u>25,000</u>
Pass-Through Indiana Department of Health			
National Bioterrorism Hospital Preparedness Program	93.889		<u>5,000</u>
Total for federal grantor agency			<u>416,887</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Grant Cluster			
Emergency Management Performance Grants	97.042	2009-EP-E9-0012	9,868
State Homeland Security Program	97.073		<u>14,894</u>
Total for federal grantor agency			<u>24,762</u>
Total federal awards expended			<u>\$ 686,478</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

MONTGOMERY COUNTY
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Montgomery County (County) and is presented in accordance with the 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.

MONTGOMERY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	no
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
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? no

MONTGOMERY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1 - SPECIAL TESTS AND PROVISIONS

Federal Agency: United States Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Pass-through Entity: Indiana Department of Child Services
Award Number and Year: FY10

As part of the grant agreement between the County and the Indiana Family and Social Services Administration, the County was required to establish three ARRA funds for the reimbursement of child support enforcement program activities.

The County set up one ARRA fund and receipted all reimbursements into the single ARRA fund.

The County is not in compliance with special tests and provisions requirements for this program. Failure to comply with these requirements could cause the County to be ineligible to receive future federal awards.

We recommended that officials establish the three required ARRA funds and adjust the balances to reflect receipt and disbursement activity.

MONTGOMERY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Michelle Cash
Montgomery County Auditor

100 East Main Street Room 102 • Crawfordsville, IN 47933 • (765) 364-6400 Fax (765) 364-6404

CORRECTIVE ACTION PLAN

Finding No. 2010-1, Special Test and Provision

Auditee Contact Person: Michelle R. Cash

Title of Contact Person: Auditor

Phone Number: 765-364-6403

Expected Completion Date: May 11, 2011

Corrective Action Planned:

We have established fund 0261 County General IV-D ARRA money and we established fund 0262 Clerk IV-D ARRA money. These actions were done and balances were corrected on May 11, 2011.

Michelle R Cash
Montgomery County Auditor

Date

MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2011, with Michelle R. Cash, Auditor; Terry Hockersmith, County Commissioner; Michael Plant, County Councilman; and Daniel L. Taylor, County Attorney.