

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF  
MONTGOMERY COUNTY, INDIANA  
January 1, 2014 to December 31, 2014



**FILED**  
04/04/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Michelle R. Cash Jennifer Andel	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Janet S. Johnson	01-01-11 to 12-31-18
Clerk of the Circuit Court	Jennifer Bentley Karyn Douglas	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Sheriff	Mark A. Casteel	01-01-11 to 12-31-18
County Recorder	Kathy Traughber Jennifer Bentley	01-01-13 to 12-31-16 01-01-17 to 12-31-20
President of the Board of County Commissioners	Phillip Bane James D. Fulwider	01-01-13 to 12-31-15 01-01-16 to 12-31-17
President of the County Council	Aaron Morgan Terry Hockersmith	01-01-14 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of Montgomery County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the County for the year ended December 31, 2014.

***Opinion on Regulatory Basis of Accounting***

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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2017, 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* in considering the County's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

February 15, 2017



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

We have audited, 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, the financial statement of Montgomery County (County), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated February 15, 2017, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT 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 from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002.

**Montgomery County's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 15, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the County. The financial statement and notes are presented as intended by the County.

MONTGOMERY COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
AFTER SETTLEMENT COLLECTIONS	\$ 1,201,978	\$ 1,397,123	\$ 1,201,978	\$ 1,397,123
INMATE TRUST	22,476	276,453	277,414	21,515
COMMISSARY	150,059	239,313	206,341	183,031
CLERK'S TRUST	617,421	3,103,313	3,156,885	563,849
GENERAL	260,212	7,529,632	7,789,844	-
ACCIDENT REPORT	10,896	3,455	1,064	13,287
CITY AND TOWN COURT COSTS	6,102	10,087	10,617	5,572
CLERK'S RECORDS PERPETUATION	45,790	23,915	19,827	49,878
COIT COUNTY DISTRIBUTIVE SHARE	719,517	3,407,577	3,680,846	446,248
SALES DISCLOSURE -COUNTY SHARE	9,535	4,721	2,611	11,645
COVERED BRIDGE	3,700	1,850	-	5,550
CUMULATIVE BRIDGE	793,461	777,149	464,494	1,106,116
CUMULATIVE CAPITAL DEVELOPMENT	864,464	631,210	787,150	708,524
DRUG FREE COMMUNITY	43,684	36,294	34,672	45,306
EXTRADITION	7,353	5,850	646	12,557
FIREARMS TRAINING	20,932	10,377	6,373	24,936
HEALTH	177,966	147,165	205,573	119,558
IDENTIFICATION SECURITY PROTEC	14,167	3,023	8,671	8,519
LEVY EXCESS	61,509	-	-	61,509
LOCAL HEALTH MAINTENANCE	81,954	39,704	51,870	69,788
LOCAL ROAD AND STREET	940,494	334,633	350,000	925,127
MISDEMEANANT	2,751	25,194	7,350	20,595
MOTOR VEHICLE HIGHWAY	1,222,273	3,073,056	2,421,771	1,873,558
PLAT BOOK	13,476	6,328	5,951	13,853
RAINY DAY	1,006,503	-	191,082	815,421
REASSESSMENT - 2015	257,281	176,750	188,872	245,159
RECORDER'S RECORDS PERPETUATION	222,177	52,242	81,822	192,597
RIVERBOAT	366,285	98,331	19,845	444,771
SEX AND VIOLENT OFFENDER ADMIN	8,255	2,740	291	10,704
SHERIFF'S PENSION TRUST	2,046	-	2,046	-
STORM WATER MANAGEMENT OPERATING	15,201	5,320	10,125	10,396
SURPLUS TAX	166,700	37,855	27,878	176,677
SURVEYOR'S CORNER PERPETUATION	2,313	7,490	4,222	5,581
TAX SALE FEES	16,417	4,708	3,945	17,180
TAX SALE REDEMPTION	100,874	46,195	145,849	1,220
TAX SALE SURPLUS	694,776	702,701	536,365	861,112
LOCAL HEALTH DEPARTMENT TRUST	43,258	22,230	22,030	43,458
GUARDIAN AD LITEM	-	23,234	23,234	-
AUDITORS INELIGIBLE DEDUCTIONS	18,022	7,715	7,079	18,658
COUNTY ELECTED OFFICIALS TRAIN	9,072	3,023	984	11,111
STATEWIDE 911	581,631	447,896	677,737	351,790
ADULT PROBATION ADMINISTRATIVE	40,856	29,022	52,915	16,963
JUVENILE PROBATION ADMINISTRAT	18,144	1,899	5,000	15,043
SUPPLEMENTAL ADULT PROBATION S	251,850	170,554	216,435	205,969
SUPPLEMENTAL JUVENILE PROBATION	51,151	6,408	24,966	32,593
ALTERNATIVE DISPUTE RESOLUTION	30,078	3,660	-	33,738
FB VETERANS COURT GRANT FUND	-	360	360	-
DRAIN CONSTRUCTION/ RECONSTRUCT	714,790	1,209,333	844,552	1,079,571
DRAINAGE MAINTENANCE	858,808	329,993	306,537	882,264
WASTEWATER UTILITY OPERATING	14,985	-	750	14,235
PAYROLL CLEARING	397,751	4,446,515	4,406,008	438,258
SHERIFF PENSION HOLDING	140,135	87,707	119,587	108,255
SETTLEMENT	-	38,991,467	38,991,467	-
WHEEL TAX / SURTAX COMBINED	785,459	810,442	1,126,125	469,776
WHEEL TAX	770	1,002,490	1,002,140	1,120
CVET AGENCY	-	196,626	196,626	-
FINANCIAL INSTITUTION TAX	-	345,462	345,462	-
CEDIT HOMESTEAD CREDIT	22,307	693,013	703,082	12,238
HEA 1001 STATE HOMESTEAD CREDIT	(3,985)	3,985	-	-
LOIT HOMESTEAD CREDIT	707,034	5,353,665	5,954,928	105,771
LOIT PTRC	86,488	1,405,295	1,393,672	98,111
STATE FINES AND FORFEITURES	7,722	43,600	43,831	7,491
INFRACTION JUDGEMENTS	12,726	72,803	72,010	13,519
OVERWEIGHT VEHICLE FINES	-	108	108	-
SPECIAL DEATH BENEFIT	450	3,265	3,220	495
SALES DISCLOSURE - STATE SHARE	450	4,771	4,696	525
CORONERS TRAINING & CON'T ED	178	3,258	3,110	326
INTERSTATE COMPACT- STATE SHARE	525	950	250	1,225
INHERITANCE TAX	9,418	52,550	49,376	12,592

The notes to the financial statement 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, 2014  
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
EDUCATION PLATE FEES AGENCY	-	656	600	56
RIVERBOAT REVENUE SHARING	-	225,844	225,844	-
INNKEEPERS TAX COLLECTIONS	49,163	212,738	157,780	104,121
COIT DISTRIBUTION	-	6,692,081	6,692,081	-
CITY/TOWN ORDINANCE VIOLATIONS	20,337	3,700	-	24,037
93.563 ARRA COUNTY IV-D INCENTIVE	18,293	-	-	18,293
93.563 ARRA PROSECUTOR IV-D INCENTIVE	14,559	-	14,413	146
93.563 ARRA CLERK IV-D INCENTIVE	1,434	-	-	1,434
93.563 COUNTY IV-D INCENTIVE	75,994	16,283	-	92,277
93.563 PROSECUTOR IV-D INCENTIVE	94,923	24,499	20,648	98,774
93.563 CLERK IV-D INCENTIVE-PO	48,294	16,283	10,481	54,096
CLERK'S CHILD SUPPORT	5,521	713,681	714,870	4,332
CASH VETERANS COURT FEE FUND	-	460	-	460
CASH CITY DEFERRAL	-	3,141	-	3,141
CENTRAL COMMUNICATIONS CENTER	-	392,031	350,873	41,158
BOND ADMIN FEE/DRUG COURT	288,128	31,450	16,506	303,072
COURT REFERRAL	146,317	89,940	103,306	132,951
ELECTION REIMBURSEMENT FD	41,860	-	-	41,860
PRE-TRIAL DIVERSION	18,317	78,550	74,104	22,763
DRUG COURT USER FEES	2,790	2,030	-	4,820
MAPP FEES FOR BLDG DEPT	4,394	2,498	-	6,892
ELECTRIC FEE CLRG FD	7,590	2,953	5,397	5,146
FLOOD FEE HOLDING FD	16,309	4,900	6,912	14,297
JAIL BOND FUND	568,100	1,359,542	1,272,500	655,142
TREASURER DOG TAX	7,494	1,270	39	8,725
COMMISSIONERS TAX SALE	(385)	22,904	15,869	6,650
COUNTY SHARE OPTION DOG TAX	8,540	1,623	7,600	2,563
TAX SALE SRI FEE	18,871	12,760	12,620	19,011
TMA FUND	179,438	6,341	6,700	179,079
CCB IV-D FUND	15,767	9,204	4,742	20,229
SHERIFFS WORK RELEASE FUND	41,788	13,458	20,970	34,276
FAMILY VIOLENCY & VICTIM ASSIS	30,015	440	-	30,455
DARE SUPPLIES	-	25	-	25
K-9 GIFT FD	45	50	50	45
CO LOW ENFORC CONT ED	47,105	9,152	2,558	53,699
FED MOTOR CARRIER CLK	121,716	1,456	-	123,172
DRUG INVESTIGATION	5,185	-	-	5,185
SOCIAL SECURITY - INMATES	12,613	7,200	3,457	16,356
REDEV COMMISSION TIF FD	40,368	1,237,890	1,169,779	108,479
SHERIFF DONATION SPECIAL FD	3,000	1,055	-	4,055
COURTHOUSE SECURITY	88,848	-	82,598	6,250
COMMON SCHOOL FUND	7,565	-	-	7,565
CLERKS USER FEE FUND	53,756	48,979	53,316	49,419
BLOCK EQUIP GR (SHER CAM)	2,550	-	-	2,550
BULLETPROOF VEST GRANT	2,438	2,117	1,805	2,750
JUDGES IV-D INCENTIVE	20,139	9,526	12,255	17,410
HAZD SUB & RESP (LEPC GRANT)	8,355	5,545	777	13,123
MEDICAL RESERVE CORP (MRC)	12,300	10,000	14,175	8,125
DISASTER RESPONSE REIMB FEMA	(102)	-	-	(102)
SKILL BUILDING GRANT	(7,909)	15,255	7,346	-
OPERATION PULLOVER	705	-	-	705
AHEAD GRANT	2,228	5,850	3,559	4,519
DRUG COURT GRANT	1,289	8,000	1,180	8,109
EQUIP GR (SHER LIGHTS)	1,705	-	-	1,705
EQUIP GR (SHER RAD)	756	-	-	756
ISP SEIZED FDS	-	17,809	17,809	-
PREPAREDNESS GRANT 13/14	(143)	8,919	8,776	-
CASH PRESCRIPTION DRUG PROGRAM	-	1,500	504	996
CASH PREPAREDNESS GRANT 2014	-	-	1,452	(1,452)
COURT INTERPRETER GRANT	8,257	-	2,110	6,147
BONY SRF P&I ACCOUNT	172,831	524,212	355,250	341,793
BONY SRF 2012 RESERVE	390,701	281,288	-	671,989
BONY SRF SUPP RESERVE	-	123,414	-	123,414
BONY SRF CAP IMPR	-	30,000	-	30,000
REDEVELOPMENT COMMISSION	-	143,780	143,780	-
<b>Totals</b>	<b>\$ 17,671,223</b>	<b>\$ 90,429,335</b>	<b>\$ 90,119,958</b>	<b>\$ 17,980,600</b>

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

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENT

**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 presents the financial information for the County.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received 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).

*Other receipts.* Amounts received from various sources, including, but 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 statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for 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  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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  
(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, the following: 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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

**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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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. Funds designated for payments related to this plan are accounted for in a pension trust fund. The activity of this trust fund has not been reflected in the financial statement. 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. The deficit for the CASH PREPAREDNESS GRANT 2014 fund was a result of the fund being set up for the reimbursable grant. The reimbursements for expenditures made by the County were not received by December 31, 2014. The deficit for the DISASTER RESPONSE REIMB FEMA fund was a result of expenditures exceeding revenues.

MONTGOMERY COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8.  *Holding Corporation***

The County has entered into a capital lease with MONTGOMERY COUNTY JAIL FACILITY BUILDING CORPORATION (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the County. The lessor has been determined to be a related-party of the County. Lease payments during the year 2014 totaled \$1,269,000, respectively.

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#### OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the County's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the County. It is presented as intended by the County.

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	AFTER SETTLEMENT COLLECTIONS	INMATE TRUST	COMMISSARY	CLERK'S TRUST	GENERAL	ACCIDENT REPORT	CITY AND TOWN COURT COSTS
Cash and investments - beginning	\$ 1,201,978	\$ 22,476	\$ 150,059	\$ 617,421	\$ 260,212	\$ 10,896	\$ 6,102
Receipts:							
Taxes	1,397,123	-	-	-	5,494,686	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	408,508	-	-
Charges for services	-	276,453	239,313	-	550,947	3,455	-
Fines and forfeits	-	-	-	3,103,313	41,059	-	-
Other receipts	-	-	-	-	1,034,432	-	10,087
Total receipts	<u>1,397,123</u>	<u>276,453</u>	<u>239,313</u>	<u>3,103,313</u>	<u>7,529,632</u>	<u>3,455</u>	<u>10,087</u>
Disbursements:							
Personal services	-	-	-	-	4,615,528	-	-
Supplies	-	-	-	-	243,000	-	-
Other services and charges	-	-	-	-	1,962,409	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	214,106	1,064	-
Other disbursements	<u>1,201,978</u>	<u>277,414</u>	<u>206,341</u>	<u>3,156,885</u>	<u>754,801</u>	<u>-</u>	<u>10,617</u>
Total disbursements	<u>1,201,978</u>	<u>277,414</u>	<u>206,341</u>	<u>3,156,885</u>	<u>7,789,844</u>	<u>1,064</u>	<u>10,617</u>
Excess (deficiency) of receipts over disbursements	<u>195,145</u>	<u>(961)</u>	<u>32,972</u>	<u>(53,572)</u>	<u>(260,212)</u>	<u>2,391</u>	<u>(530)</u>
Cash and investments - ending	<u>\$ 1,397,123</u>	<u>\$ 21,515</u>	<u>\$ 183,031</u>	<u>\$ 563,849</u>	<u>\$ -</u>	<u>\$ 13,287</u>	<u>\$ 5,572</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	CLERK'S RECORDS PERPETUATION	COIT COUNTY DISTRIBUTIVE SHARE	SALES DISCLOSURE -COUNTY SHARE	COVERED BRIDGE	CUMULATIVE BRIDGE	CUMULATIVE CAPITAL DEVELOPMENT	DRUG FREE COMMUNITY
Cash and investments - beginning	\$ 45,790	\$ 719,517	\$ 9,535	\$ 3,700	\$ 793,461	\$ 864,464	\$ 43,684
Receipts:							
Taxes	-	-	-	-	563,286	587,676	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	41,699	43,518	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	23,915	3,407,577	4,721	1,850	172,164	16	36,294
Total receipts	23,915	3,407,577	4,721	1,850	777,149	631,210	36,294
Disbursements:							
Personal services	-	2,530,543	-	-	-	-	-
Supplies	1,815	119,538	-	-	229,102	-	-
Other services and charges	-	1,030,765	2,611	-	139,569	531,259	34,672
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	18,012	-	-	-	95,823	255,891	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	19,827	3,680,846	2,611	-	464,494	787,150	34,672
Excess (deficiency) of receipts over disbursements	4,088	(273,269)	2,110	1,850	312,655	(155,940)	1,622
Cash and investments - ending	\$ 49,878	\$ 446,248	\$ 11,645	\$ 5,550	\$ 1,106,116	\$ 708,524	\$ 45,306

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	EXTRADITION	FIREARMS TRAINING	HEALTH	IDENTIFICATION SECURITY PROTEC	LEVY EXCESS	LOCAL HEALTH MAINTENANCE	LOCAL ROAD AND STREET
Cash and investments - beginning	\$ 7,353	\$ 20,932	\$ 177,966	\$ 14,167	\$ 61,509	\$ 81,954	\$ 940,494
Receipts:							
Taxes	-	-	47,185	-	-	-	-
Licenses and permits	-	10,377	-	-	-	-	-
Intergovernmental receipts	-	-	3,498	-	-	-	334,633
Charges for services	-	-	-	-	-	2,383	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	5,850	-	96,482	3,023	-	37,321	-
Total receipts	5,850	10,377	147,165	3,023	-	39,704	334,633
Disbursements:							
Personal services	-	-	196,498	-	-	35,970	-
Supplies	-	6,373	4,382	8,671	-	12,351	150,000
Other services and charges	646	-	4,693	-	-	3,549	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	200,000
Other disbursements	-	-	-	-	-	-	-
Total disbursements	646	6,373	205,573	8,671	-	51,870	350,000
Excess (deficiency) of receipts over disbursements	5,204	4,004	(58,408)	(5,648)	-	(12,166)	(15,367)
Cash and investments - ending	\$ 12,557	\$ 24,936	\$ 119,558	\$ 8,519	\$ 61,509	\$ 69,788	\$ 925,127

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	MISDEMEANANT	MOTOR VEHICLE HIGHWAY	PLAT BOOK	RAINY DAY	REASSESSMENT - 2015	RECORDER'S RECORDS PERPETUATION	RIVERBOAT
Cash and investments - beginning	\$ 2,751	\$ 1,222,273	\$ 13,476	\$ 1,006,503	\$ 257,281	\$ 222,177	\$ 366,285
Receipts:							
Taxes	-	-	-	-	164,576	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	3,024,693	-	-	12,174	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	25,194	48,363	6,328	-	-	52,242	98,331
Total receipts	25,194	3,073,056	6,328	-	176,750	52,242	98,331
Disbursements:							
Personal services	-	1,604,815	-	-	127,973	27,701	-
Supplies	-	705,326	2,679	-	3,361	54,121	-
Other services and charges	-	104,187	3,272	-	28,088	-	19,845
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	7,443	-	-	29,450	-	-
Other disbursements	7,350	-	-	191,082	-	-	-
Total disbursements	7,350	2,421,771	5,951	191,082	188,872	81,822	19,845
Excess (deficiency) of receipts over disbursements	17,844	651,285	377	(191,082)	(12,122)	(29,580)	78,486
Cash and investments - ending	\$ 20,595	\$ 1,873,558	\$ 13,853	\$ 815,421	\$ 245,159	\$ 192,597	\$ 444,771

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	SEX AND VIOLENT OFFENDER ADMIN	SHERIFF'S PENSION TRUST	STORM WATER MANAGEMENT OPERATING	SURPLUS TAX	SURVEYOR'S CORNER PERPETUATION	TAX SALE FEES	TAX SALE REDEMPTION
Cash and investments - beginning	\$ 8,255	\$ 2,046	\$ 15,201	\$ 166,700	\$ 2,313	\$ 16,417	\$ 100,874
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,740	-	5,320	37,855	7,490	4,708	46,195
Total receipts	2,740	-	5,320	37,855	7,490	4,708	46,195
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	1,591	-	-	-	-
Other services and charges	-	2,046	8,534	-	4,222	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	291	-	-	27,878	-	3,945	145,849
Total disbursements	291	2,046	10,125	27,878	4,222	3,945	145,849
Excess (deficiency) of receipts over disbursements	2,449	(2,046)	(4,805)	9,977	3,268	763	(99,654)
Cash and investments - ending	\$ 10,704	\$ -	\$ 10,396	\$ 176,677	\$ 5,581	\$ 17,180	\$ 1,220

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	TAX SALE SURPLUS	LOCAL HEALTH DEPARTMENT TRUST	GUARDIAN AD LITEM	AUDITORS INELIGIBLE DEDUCTIONS	COUNTY ELECTED OFFICIALS TRAIN	STATEWIDE 911	ADULT PROBATION ADMINISTRATIVE
Cash and investments - beginning	\$ 694,776	\$ 43,258	\$ -	\$ 18,022	\$ 9,072	\$ 581,631	\$ 40,856
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	12,220
Other receipts	702,701	22,230	23,234	7,715	3,023	447,896	16,802
Total receipts	702,701	22,230	23,234	7,715	3,023	447,896	29,022
Disbursements:							
Personal services	-	8,342	-	-	-	542,840	52,915
Supplies	-	12,351	-	3,556	-	-	-
Other services and charges	-	1,337	-	3,523	-	87,797	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	536,365	-	23,234	-	984	47,100	-
Total disbursements	536,365	22,030	23,234	7,079	984	677,737	52,915
Excess (deficiency) of receipts over disbursements	166,336	200	-	636	2,039	(229,841)	(23,893)
Cash and investments - ending	\$ 861,112	\$ 43,458	\$ -	\$ 18,658	\$ 11,111	\$ 351,790	\$ 16,963

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	JUVENILE PROBATION ADMINISTRAT	SUPPLEMENTAL ADULT PROBATION S	SUPPLEMENTAL JUVENILE PROBATION	ALTERNATIVE DISPUTE RESOLUTION	FB VETERANS COURT GRANT FUND	DRAIN CONSTRUCTION/ RECONSTRUCT	DRAINAGE MAINTENANCE
Cash and investments - beginning	\$ 18,144	\$ 251,850	\$ 51,151	\$ 30,078	\$ -	\$ 714,790	\$ 858,808
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,899	170,554	6,408	3,660	360	1,209,333	329,993
Total receipts	1,899	170,554	6,408	3,660	360	1,209,333	329,993
Disbursements:							
Personal services	-	168,416	17,553	-	-	-	-
Supplies	-	8,141	-	-	-	-	-
Other services and charges	5,000	38,856	7,413	-	360	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,022	-	-	-	-	-
Other disbursements	-	-	-	-	-	844,552	306,537
Total disbursements	5,000	216,435	24,966	-	360	844,552	306,537
Excess (deficiency) of receipts over disbursements	(3,101)	(45,881)	(18,558)	3,660	-	364,781	23,456
Cash and investments - ending	\$ 15,043	\$ 205,969	\$ 32,593	\$ 33,738	\$ -	\$ 1,079,571	\$ 882,264

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	WASTEWATER UTILITY OPERATING	PAYROLL CLEARING	SHERIFF PENSION HOLDING	SETTLEMENT	WHEEL TAX / SURTAX COMBINED	WHEEL TAX	CVET AGENCY
Cash and investments - beginning	\$ 14,985	\$ 397,751	\$ 140,135	\$ -	\$ 785,459	\$ 770	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	87,707	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	4,446,515	-	38,991,467	810,442	1,002,490	196,626
Total receipts	-	4,446,515	87,707	38,991,467	810,442	1,002,490	196,626
Disbursements:							
Personal services	-	4,406,008	119,587	-	-	-	-
Supplies	-	-	-	-	865,121	-	-
Other services and charges	750	-	-	-	4,315	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	256,689	-	-
Other disbursements	-	-	-	38,991,467	-	1,002,140	196,626
Total disbursements	750	4,406,008	119,587	38,991,467	1,126,125	1,002,140	196,626
Excess (deficiency) of receipts over disbursements	(750)	40,507	(31,880)	-	(315,683)	350	-
Cash and investments - ending	\$ 14,235	\$ 438,258	\$ 108,255	\$ -	\$ 469,776	\$ 1,120	\$ -

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	FINANCIAL INSTITUTION TAX	CEDIT HOMESTEAD CREDIT	HEA 1001 STATE HOMESTEAD CREDIT	LOIT HOMESTEAD CREDIT	LOIT PTRC	STATE FINES AND FORFEITURES	INFRACTION JUDGEMENTS
Cash and investments - beginning	\$ -	\$ 22,307	\$ (3,985)	\$ 707,034	\$ 86,488	\$ 7,722	\$ 12,726
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	345,462	693,013	3,985	5,353,665	1,405,295	43,600	72,803
Total receipts	345,462	693,013	3,985	5,353,665	1,405,295	43,600	72,803
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	345,462	703,082	-	5,954,928	1,393,672	43,831	72,010
Total disbursements	345,462	703,082	-	5,954,928	1,393,672	43,831	72,010
Excess (deficiency) of receipts over disbursements	-	(10,069)	3,985	(601,263)	11,623	(231)	793
Cash and investments - ending	\$ -	\$ 12,238	\$ -	\$ 105,771	\$ 98,111	\$ 7,491	\$ 13,519

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	OVERWEIGHT VEHICLE FINES	SPECIAL DEATH BENEFIT	SALES DISCLOSURE - STATE SHARE	CORONERS TRAINING & CON'T ED	INTERSTATE COMPACT- STATE SHARE	INHERITANCE TAX	EDUCATION PLATE FEES AGENCY
Cash and investments - beginning	\$ -	\$ 450	\$ 450	\$ 178	\$ 525	\$ 9,418	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	108	3,265	4,771	3,258	950	52,550	656
Total receipts	108	3,265	4,771	3,258	950	52,550	656
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	108	3,220	4,696	3,110	250	49,376	600
Total disbursements	108	3,220	4,696	3,110	250	49,376	600
Excess (deficiency) of receipts over disbursements	-	45	75	148	700	3,174	56
Cash and investments - ending	\$ -	\$ 495	\$ 525	\$ 326	\$ 1,225	\$ 12,592	\$ 56

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	RIVERBOAT REVENUE SHARING	INNKEEPERS TAX COLLECTIONS	COIT DISTRIBUTION	CITY/TOWN ORDINANCE VIOLATIONS	93.563 ARRA COUNTY IV-D INCENTIVE	93.563 ARRA PROSECUTOR IV-D INVENTIVE	93.563 ARRA CLERK IV-D INCENTIVE
Cash and investments - beginning	\$ -	\$ 49,163	\$ -	\$ 20,337	\$ 18,293	\$ 14,559	\$ 1,434
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	225,844	212,738	6,692,081	3,700	-	-	-
Total receipts	225,844	212,738	6,692,081	3,700	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	14,413	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	3,780	-	-	-	-	-
Debt service - principal and interest	-	154,000	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	225,844	-	6,692,081	-	-	-	-
Total disbursements	225,844	157,780	6,692,081	-	-	14,413	-
Excess (deficiency) of receipts over disbursements	-	54,958	-	3,700	-	(14,413)	-
Cash and investments - ending	\$ -	\$ 104,121	\$ -	\$ 24,037	\$ 18,293	\$ 146	\$ 1,434

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	93.563 COUNTY IV-D INCENTIVE	93.563 PROSECUTOR IV-D INCENTIVE	93.563 CLERK IV-D INCENTIVE-PO	CLERK'S CHILD SUPPORT	CASH VETERANS COURT FEE FUND	CASH CITY DEFERRAL	CENTRAL COMMUNICATIONS CENTER
Cash and investments - beginning	\$ 75,994	\$ 94,923	\$ 48,294	\$ 5,521	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	713,681	-	-	-
Other receipts	16,283	24,499	16,283	-	460	3,141	392,031
Total receipts	<u>16,283</u>	<u>24,499</u>	<u>16,283</u>	<u>713,681</u>	<u>460</u>	<u>3,141</u>	<u>392,031</u>
Disbursements:							
Personal services	-	15,853	-	-	-	-	38,662
Supplies	-	4,408	-	-	-	-	14,946
Other services and charges	-	387	10,481	-	-	-	256,695
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,749
Other disbursements	-	-	-	714,870	-	-	37,821
Total disbursements	<u>-</u>	<u>20,648</u>	<u>10,481</u>	<u>714,870</u>	<u>-</u>	<u>-</u>	<u>350,873</u>
Excess (deficiency) of receipts over disbursements	<u>16,283</u>	<u>3,851</u>	<u>5,802</u>	<u>(1,189)</u>	<u>460</u>	<u>3,141</u>	<u>41,158</u>
Cash and investments - ending	<u>\$ 92,277</u>	<u>\$ 98,774</u>	<u>\$ 54,096</u>	<u>\$ 4,332</u>	<u>\$ 460</u>	<u>\$ 3,141</u>	<u>\$ 41,158</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	BOND ADMIN FEE/DRUG COURT	COURT REFERRAL	ELECTION REIMBURSEMENT FD	PRE-TRIAL DIVERSION	DRUG COURT USER FEES	MAPP FEES FOR BLDG DEPT	ELECTRIC FEE CLRG FD
Cash and investments - beginning	\$ 288,128	\$ 146,317	\$ 41,860	\$ 18,317	\$ 2,790	\$ 4,394	\$ 7,590
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	10,303	-	-	-	-	-
Fines and forfeits	31,450	-	-	-	-	-	-
Other receipts	-	79,637	-	78,550	2,030	2,498	2,953
Total receipts	31,450	89,940	-	78,550	2,030	2,498	2,953
Disbursements:							
Personal services	1,916	96,786	-	73,547	-	-	-
Supplies	-	4,801	-	194	-	-	-
Other services and charges	14,590	1,719	-	-	-	-	5,397
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	363	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	16,506	103,306	-	74,104	-	-	5,397
Excess (deficiency) of receipts over disbursements	14,944	(13,366)	-	4,446	2,030	2,498	(2,444)
Cash and investments - ending	\$ 303,072	\$ 132,951	\$ 41,860	\$ 22,763	\$ 4,820	\$ 6,892	\$ 5,146

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	FLOOD FEE HOLDING FD	JAIL BOND FUND	TREASURER DOG TAX	COMMISSIONERS TAX SALE	COUNTY SHARE OPTION DOG TAX	TAX SALE SRI FEE	TMA FUND
Cash and investments - beginning	\$ 16,309	\$ 568,100	\$ 7,494	\$ (385)	\$ 8,540	\$ 18,871	\$ 179,438
Receipts:							
Taxes	-	1,268,588	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	90,954	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	4,900	-	1,270	22,904	1,623	12,760	6,341
Total receipts	4,900	1,359,542	1,270	22,904	1,623	12,760	6,341
Disbursements:							
Personal services	-	-	39	-	-	-	-
Supplies	1,285	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	6,700
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,627	1,272,500	-	-	-	-	-
Other disbursements	-	-	-	15,869	7,600	12,620	-
Total disbursements	6,912	1,272,500	39	15,869	7,600	12,620	6,700
Excess (deficiency) of receipts over disbursements	(2,012)	87,042	1,231	7,035	(5,977)	140	(359)
Cash and investments - ending	\$ 14,297	\$ 655,142	\$ 8,725	\$ 6,650	\$ 2,563	\$ 19,011	\$ 179,079

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	CCB IV-D FUND	SHERIFFS WORK RELEASE FUND	FAMILY VIOLENCY & VICTIM ASSIS	DARE SUPPLIES	K-9 GIFT FD	CO LOW ENFORC CONT ED	FED MOTOR CARRIER CLK
Cash and investments - beginning	\$ 15,767	\$ 41,788	\$ 30,015	\$ -	\$ 45	\$ 47,105	\$ 121,716
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	25	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,204	13,458	440	-	50	9,152	1,456
Total receipts	<u>9,204</u>	<u>13,458</u>	<u>440</u>	<u>25</u>	<u>50</u>	<u>9,152</u>	<u>1,456</u>
Disbursements:							
Personal services	-	20,370	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	4,742	600	-	-	50	2,558	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>4,742</u>	<u>20,970</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>2,558</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,462</u>	<u>(7,512)</u>	<u>440</u>	<u>25</u>	<u>-</u>	<u>6,594</u>	<u>1,456</u>
Cash and investments - ending	<u>\$ 20,229</u>	<u>\$ 34,276</u>	<u>\$ 30,455</u>	<u>\$ 25</u>	<u>\$ 45</u>	<u>\$ 53,699</u>	<u>\$ 123,172</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	DRUG INVESTIGATION	SOCIAL SECURITY - INMATES	REDEV COMMISSION TIF FD	SHERIFF DONATION SPECIAL FD	COURTHOUSE SECURITY	COMMON SCHOOL FUND	CLERKS USER FEE FUND
Cash and investments - beginning	\$ 5,185	\$ 12,613	\$ 40,368	\$ 3,000	\$ 88,848	\$ 7,565	\$ 53,756
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	7,200	-	-	-	-	-
Charges for services	-	-	-	-	-	-	48,979
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	-	1,237,890	1,055	-	-	-
Total receipts	-	7,200	1,237,890	1,055	-	-	48,979
Disbursements:							
Personal services	-	-	-	-	32,634	-	-
Supplies	-	3,457	-	-	-	-	-
Other services and charges	-	-	-	-	20,389	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	29,575	-	-
Other disbursements	-	-	1,169,779	-	-	-	53,316
Total disbursements	-	3,457	1,169,779	-	82,598	-	53,316
Excess (deficiency) of receipts over disbursements	-	3,743	68,111	1,055	(82,598)	-	(4,337)
Cash and investments - ending	<u>\$ 5,185</u>	<u>\$ 16,356</u>	<u>\$ 108,479</u>	<u>\$ 4,055</u>	<u>\$ 6,250</u>	<u>\$ 7,565</u>	<u>\$ 49,419</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	BLOCK EQUIP GR (SHER CAM)	BULLETPROOF VEST GRANT	JUDGES IV-D INCENTIVE	HAZD SUB & RESP (LEPC GRANT)	MEDICAL RESERVE CORP (MRC)	DISASTER RESPONSE REIMB FEMA	SKILL BUILDING GRANT
Cash and investments - beginning	\$ 2,550	\$ 2,438	\$ 20,139	\$ 8,355	\$ 12,300	\$ (102)	\$ (7,909)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	-	2,117	9,526	5,545	10,000	-	15,255
Total receipts	-	2,117	9,526	5,545	10,000	-	15,255
Disbursements:							
Personal services	-	-	-	-	7,940	-	7,346
Supplies	-	-	-	-	5,219	-	-
Other services and charges	-	-	12,255	777	414	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,805	-	-	602	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	1,805	12,255	777	14,175	-	7,346
Excess (deficiency) of receipts over disbursements	-	312	(2,729)	4,768	(4,175)	-	7,909
Cash and investments - ending	\$ 2,550	\$ 2,750	\$ 17,410	\$ 13,123	\$ 8,125	\$ (102)	\$ -

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	OPERATION PULLOVER	AHEAD GRANT	DRUG COURT GRANT	EQUIP GR (SHER LIGHTS)	EQUIP GR (SHER RAD)	ISP SEIZED FDS
Cash and investments - beginning	\$ 705	\$ 2,228	\$ 1,289	\$ 1,705	\$ 756	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	5,850	8,000	-	-	17,809
Total receipts	-	5,850	8,000	-	-	17,809
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	750	-	-	-	-
Other services and charges	-	2,809	1,180	-	-	17,809
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	3,559	1,180	-	-	17,809
Excess (deficiency) of receipts over disbursements	-	2,291	6,820	-	-	-
Cash and investments - ending	\$ 705	\$ 4,519	\$ 8,109	\$ 1,705	\$ 756	\$ -

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	PREPAREDNESS GRANT 13/14	CASH PRESCRIPTION DRUG PROGRAM	CASH PREPAREDNESS GRANT 2014	COURT INTERPRETER GRANT	BONY SRF P&I ACCOUNT
Cash and investments - beginning	\$ (143)	\$ -	\$ -	\$ 8,257	\$ 172,831
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	8,919	1,500	-	-	524,212
Total receipts	<u>8,919</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>524,212</u>
Disbursements:					
Personal services	4,126	-	-	-	-
Supplies	1,000	-	-	-	-
Other services and charges	3,650	504	1,452	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	-	-	-	2,110	355,250
Total disbursements	<u>8,776</u>	<u>504</u>	<u>1,452</u>	<u>2,110</u>	<u>355,250</u>
Excess (deficiency) of receipts over disbursements	<u>143</u>	<u>996</u>	<u>(1,452)</u>	<u>(2,110)</u>	<u>168,962</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ (1,452)</u>	<u>\$ 6,147</u>	<u>\$ 341,793</u>

MONTGOMERY COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	BONY SRF 2012 RESERVE	BONY SRF SUPP RESERVE	BONY SRF CAP IMPR	REDEVELOPMENT COMMISSION	Totals
Cash and investments - beginning	\$ 390,701	\$ -	\$ -	\$ -	\$ 17,671,223
Receipts:					
Taxes	-	-	-	-	9,523,120
Licenses and permits	-	-	-	-	10,377
Intergovernmental receipts	-	-	-	-	3,966,877
Charges for services	-	-	-	-	1,219,565
Fines and forfeits	-	-	-	-	3,901,723
Other receipts	281,288	123,414	30,000	143,780	71,807,673
Total receipts	<u>281,288</u>	<u>123,414</u>	<u>30,000</u>	<u>143,780</u>	<u>90,429,335</u>
Disbursements:					
Personal services	-	-	-	-	14,768,321
Supplies	-	-	-	-	2,467,539
Other services and charges	-	-	-	-	4,398,656
Debt service - principal and interest	-	-	-	-	154,000
Capital outlay	-	-	-	-	2,392,721
Other disbursements	-	-	-	143,780	65,938,721
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,780</u>	<u>90,119,958</u>
Excess (deficiency) of receipts over disbursements	<u>281,288</u>	<u>123,414</u>	<u>30,000</u>	<u>-</u>	<u>309,377</u>
Cash and investments - ending	<u>\$ 671,989</u>	<u>\$ 123,414</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 17,980,600</u>

MONTGOMERY COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 259,270</u>	<u>\$ 129,311</u>

MONTGOMERY COUNTY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
MONTGOMERY COUNTY JAIL FACILITY BUILDING CORPORATION	JAIL BOND	\$ 1,269,000	12/31/2006	12/31/2024
CARDINAL	ASSESSOR LANIER	1,908	8/20/2010	8/20/2015
G E CAPITAL	BUILDING DEPT RICOH	1,464	9/30/2011	9/30/2016
G E CAPITAL	AUDITOR RICOH	877	2/13/2012	2/13/2017
G E CAPITAL	CIRCUIT CT RICOH	912	11/14/2011	11/14/2016
G E CAPITAL	SUPERIOR CT 2 LANIER	1,320	10/1/2010	10/1/2015
GREAT AMERICA FINANCIAL SVCS	SHERIFFS 4 COPIERS	4,393	5/18/2011	6/18/2016
JOHN DEERE CREDIT	GRADERS	648,000	11/21/2014	11/21/2017
U S BANK	CLERK'S HP	1,531	9/10/2012	9/10/2017
U S BANK	IV-D HP	1,531	8/27/2012	8/27/2017
U S BANK	HIGHWAY DEPT HP	1,129	8/27/2012	8/27/2017
U S BANK	SUPERIOR 1 HP	1,427	5/28/2013	5/28/2018
U S BANK	PROBATION HP	2,683	5/28/2013	5/28/2018
Total governmental activities		<u>667,175</u>		
Total of annual lease payments		<u>\$ 667,175</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	SEWER BOND SERIES 2012 A	\$ 4,811,000	\$ 300,220
General obligation bonds	SEWER BOND SERIES 2012B	5,953,000	371,598
General obligation bonds	PNC - COURTHOUSE HVAC	769,424	125,188
Notes and loans payable	DRAIN LOANS DITCHES	859,944	350,788
Notes and loans payable	E 911 EQUIPMENT	776,924	116,327
Total governmental activities		<u>13,170,292</u>	<u>1,264,121</u>
Totals		<u>\$ 13,170,292</u>	<u>\$ 1,264,121</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF MONTGOMERY COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited Montgomery County's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)


**Report on Internal Control over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

February 15, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

MONTGOMERY COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
ARRA - State Broadband Data and Development Grant Program GIS Mapping	Indiana Office of Technology	11.558	067BROADBAND000	\$ -	\$ 2,000
Total - Department of Commerce				-	2,000
<u>Department of Justice</u>					
Juvenile Accountability Block Grants Montgomery County Skill Building Grant	Indiana Criminal Justice Institute	16.523	10-JB-016	-	15,255
Bulletproof Vest Partnership Program	Direct Grant	16.607	FY2012 FY2013	-	1,095 1,022
Total - Bulletproof Vest Partnership Program				-	2,117
Total - Department of Justice				-	17,372
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	Project 0011801544 Project 0014807209 Project 9954027 Project 0015802858 Project 0013802319 Project 0013805764 Project 0014808185	- - - - - - -	1,632 10,368 4,904 11,380 27,924 23,552 92,358
Total - Highway Planning and Construction Cluster				-	172,118
Total - Department of Transportation				-	172,118
<u>Environmental Protection Agency</u>					
Clean Water State Revolving Fund Cluster Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW09755401	-	48,623
Total - Environmental Protection Agency				-	48,623
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074	A70-4-0532325 A70-4-0532246	- -	6,500 8,919
Total - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				-	15,419
Child Support Enforcement General Title IV-D Incentive Prosecutor IV-D Incentive Clerk General IV-D Incentive Judges IV-D	Indiana Department of Child Services	93.563	2014 2014 2014 2014	- - - -	63,083 204,668 46,397 9,526
Sub-Total - Child Support Enforcement				-	323,674
ARRA - Child Support Enforcement Prosecutor IV-D ARRA	Indiana Department of Child Services	93.563	2014	-	14,413
Total - Child Support Enforcement				-	338,087
Total - Department of Health and Human Services				-	353,506
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	PA-05-IN-4173-PW-00127	-	52,015
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	C44P-5-053B C44P-4-462B	- -	28,001 5,179
Total - Emergency Management Performance Grants				-	33,180
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	C44P-4-036B	-	2,315
Total - Department of Homeland Security				-	87,510
Total federal awards expended				\$ -	\$ 681,129

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

MONTGOMERY COUNTY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, 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:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2014-001 - INTERNAL CONTROLS AND COMPLIANCE OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting.

1. Lack of Segregation of Duties: The County had not separated incompatible activities related to cash and investments, receipts, and the financial close and reporting process.

MONTGOMERY COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

The County Treasurer prepared a monthly reconciliation. There was no evidence of a control, such as an oversight, review, or approval process, to ensure the accuracy of the monthly reconciliation.

The County Treasurer's office had one cash drawer, which was used by all employees in the office. The same person balanced the drawer, prepared the deposit ticket, and took the deposit to the bank. There was no control in place to ensure that all monies collected were properly received and deposited.

The County Auditor inputted the County's financial information into the Gateway system, which was used to compile the County's financial statement. There was no evidence of a control, such as an oversight, review, or approval process, to ensure the accuracy of the information inputted into the Gateway system. During the audit of the financial statement, the following funds were omitted:

Fund Name	Beg Balance	Receipts	Disbursements	End Balance
REDEVELOPMENT COMMISSION	\$ -	\$ 143,780	\$ 143,780	\$ -
BONY SRF P&I ACCOUNT	172,831	524,212	355,250	341,793
BONY SRF 2012 RESERVE	390,701	281,288	-	671,989
BONY SRF SUPP RESERVE	-	123,414	-	123,414
BONY SRF CAP IMPR	-	30,000	-	30,000
PAYROLL CLEARING	397,751	4,446,515	4,406,008	438,258

Audit adjustments were proposed, accepted by the County, and made to the financial statement.

2. Monitoring of Controls: The County had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the County to monitor and assess the quality of the system of internal control.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

MONTGOMERY COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

*Cause*

Management of the County had not established a proper system of internal control and ensured that all funds of the County were reported within the County's financial statement.

*Effect*

The failure to establish an internal control system resulted in funds of the County not being included on the County's financial statement. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to prevent, or detect and correct, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2014-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County Auditor entered and submitted federal award information within the County's annual financial report on Gateway, which was used to compile the County's SEFA. There was no evidence of a control, such as an oversight, review, or approval process by the County to ensure federal award information entered and submitted was correct.

During the audit of the SEFA, there were the following errors:

The following programs were overstated:

CFDA Number	Program Name	Amount
20.205	Highway Planning and Construction	\$ 162,515
93.563	Child Support Enforcement (Judges IV-D)	7,027
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	3,500

MONTGOMERY COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

The following programs were understated:

CFDA Number	Program Name	Understated Amount
93.563	Child Support Enforcement (General Title IV-D Incentive)	\$ 65,902
93.563	Child Support Enforcement (Prosecutor IV-D Incentive)	148,511
93.563	Child Support Enforcement (Clerk General IV-D Incentive)	26,694
93.563	Child Support Enforcement (Prosecutor IV-D ARRA)	14,413

The following programs were omitted:

CFDA Number	Program Name	Amount
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$ 52,015
97.042	Emergency Management Performance Grants	33,180
97.067	Homeland Security Grant Program	2,315
66.458	Capitalization Grants for Clean Water State Revolving Funds	48,623

In addition, non-federal grants totaling \$100,791 were included, three grants had the wrong program name, two grants had the wrong pass-through name, and four grants did not have a pass-through number.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310. . . ."

MONTGOMERY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



# *Jennifer Andel*

## *Montgomery County Auditor*

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January 17, 2017

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### ***FINDING 2013-004***

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Health and Human Services; passed through Indiana Department of Child Services

Contact Person Responsible for Corrective Action: Judge Harry Siamas

Contact Phone Number: 765-364-6450

Status of Audit Finding: The County had not yet established internal controls; it was recommended that the county's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program. The corrective action plan included additional documentation being made available to the SBOA for this program, and states that "the Montgomery county courts will not be participating in the Title IV-D reimbursement program in the future". The corrective plan was implemented in 2014.

#### ***FINDING 2013-005***

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Health and Human Services; passed through Indiana Department of Child Services

Contact Person Responsible for Corrective Action: Judge Harry Siamas

Contact Phone Number: 765-364-6450

Status of Audit Finding: The supporting documentation needed to verify the accuracy of the reimbursements was not initially provided. The corrective action plan included additional documentation being made available to the SBOA for this program, and states that "the Montgomery county courts will not be participating the Title IV-D reimbursement program in the future". The corrective plan was implemented in 2014.

#### ***FINDING 2013-006***

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Environmental Protection Agency; passed through Indiana Finance Authority

Contact Person Responsible for Corrective Action: Michelle Cash

Contact Phone Number: 765-362-3740, xtn. 216



***Jennifer Andel***  
***Montgomery County Auditor***

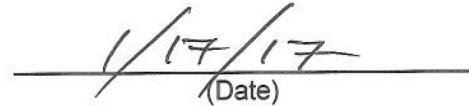
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Status of Audit Finding: The County had not yet established internal controls; it was recommended that the county's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program. The County appointed a financial administrator to monitor the activity of the grant that will enforce the internal controls of the claims, recordings and balance the bank statement. The corrective plan was implemented in 2014.

  
(Signature)

  
(Title)

  
(Date)



# *Jennifer Andel*

## *Montgomery County Auditor*

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February 15, 2017

### CORRECTIVE ACTION PLAN

#### 2014 Audit

#### **FINDING 2014-001**

Contact Person Responsible for Corrective Action: Treasurer Janet Johnson & Auditor Jennifer Andel  
Contact Phone Number: 765-364-6403

We concur with the finding.

#### Description of Corrective Action Plan:

The County Treasurer prepares a monthly reconciliation. This is reviewed by the Chief Deputy Treasurer and initialed.

Each employee in the County Treasurer's office has their own cash drawer. Each employee balances their own drawer. If they have taken in cash, the cash is counted by another employee & initialed on the deposit slip. There is also a cash handling form filled out by the receiver & then also by the verifier who also checks the cash amount. The 1<sup>st</sup> Deputy Treasurer takes the deposits to the bank.

Reports printed daily show amount of property taxes taken in & whether they were cash, check or credit card. The County Treasurer's office also prints an AR Payment Register that shows the amount of cash taken in by Quietus and taxes. An AR Payment Register is also printed that shows all the Quietus's for the day.

The County Treasurer's office employees have been shown a power point presentation on the Internal Control procedures for the office. They have also signed a form stating such.

Since CY 2014, the County has moved forward with identifying and implementing countywide and department-specific internal control functions. The documentation of such is noted in Resolution 2016-17 Internal Controls Policy, finalized by the Internal Control Committee in the latter part of 2016. In addition to the countywide resolution, each office has developed individualized, but conforming controls which are now part of each employee's training. As a part of these controls, the Auditor is now required to present the AFR to Commissioners and Council for review prior to submission to the SBOA. Additionally, education regarding the necessity of presenting SRF fund information as a part of the AFR has been provided.

Anticipated Completion Date: 12/19/2016

#### **FINDING 2014-002**

Contact Person Responsible for Corrective Action: Jennifer Andel  
Contact Phone Number: 765-364-6403

We concur with the finding.

100 East Main Street, Room 102  
Crawfordsville, Indiana 47933

[www.montgomeryco.net](http://www.montgomeryco.net)

Phone (765)364-6400  
Fax (765)364-6404



*Jennifer Andel*  
*Montgomery County Auditor*

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Description of Corrective Action Plan:

Since CY 2014, the County has moved forward with identifying and implementing countywide and department-specific internal control functions. The documentation of such is noted in Resolution 2016-17 Internal Controls Policy, finalized by the Internal Control Committee in the latter part of 2016. In addition to the countywide resolution, each office has developed individualized, but conforming controls which are now part of each employee's training. As a part of these controls, the Auditor is now required to present the AFR to Commissioners and Council for review prior to submission to the SBOA. Additionally, education regarding the necessity of presenting SRF fund information as a part of the AFR has been provided. Also, additional records are required of each department head receiving funding prior to the fund number being assigned. Education of departmental contacts is also ongoing, in order to clarify to them the documentation requirements of State and Federal funding.

Anticipated Completion Date: 12/19/2016 (and ongoing)

*Janet S Johnson*  
(Signature)  
Treasurer  
(Title)  
2/15/17  
(Date)

*Jennifer Andel*  
(Signature)  
Auditor  
(Title)  
2/15/17  
(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.