

MONTGOMERY COUNTY, ILLINOIS

Annual Financial Report

November 30, 2013

PATTON & COMPANY, P.C.

Certified Public Accountants

MONTGOMERY COUNTY, ILLINOIS

TABLE OF CONTENTS

November 30, 2013

Elected Officials and Board Members

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-9

BASIC FINANCIAL STATEMENTS

Statement of Net Position 10

Statement of Activities 11

Balance Sheet - Governmental Funds 12

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position 13

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds 14

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Governmental
Activities on the Statement of Activities 15

Statement of Fiduciary Net Position - Agency Funds 16

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements 17-34

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund 35-40

Statements of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual:

Public Health Fund 41

Illinois Municipal Retirement Fund (IMRF) 42

Coal Royalties Fund 43

Employees Insurance Fund 44

County Motor Fuel Tax Fund 45

Federal Aid Matching Fund 46

Township Bridge Program Fund 47

Illinois Municipal Retirement Required Supplementary
Information - Schedule of Funding Progress 48

Notes to Required Supplementary Information 49-50

MONTGOMERY COUNTY, ILLINOIS

TABLE OF CONTENTS

November 30, 2013

**OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet for Nonmajor Governmental Funds	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	52

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities	53
Statements of Changes in Assets and Liabilities:	
Circuit Clerk's Funds	54
County Clerk's Funds	55
Emergency Management Agency Funds	56
GIS Imprest Fund	57
Coordinated Services Imprest Fund	58
Sheriff's Funds	59
State's Attorney Fund	60
Probation Fund	61
Township Motor Fuel Tax Fund	62
County Treasurer's Other Funds	63-64

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	65-66
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	67-69
Schedule of Expenditures of Federal Awards	70-72
Schedule of Findings and Questioned Costs	73-74
Notes to Schedule of Expenditures of Federal Awards	75

MONTGOMERY COUNTY, ILLINOIS

Elected Officials and Board Members

November 30, 2013

ELECTED OFFICIALS:

Coroner, Rick Broaddus

Treasurer, Ron Jenkins

County Clerk, Sandy Leitheiser

Circuit Clerk, Holly Lemons

State's Attorney, Christopher Matoush

Sheriff, Jim Vazzi

COUNTY BOARD MEMBERS:

Mary Bathurst, Vice Chairman

Jay Martin

Connie Beck

Gene Miles

Megan Beeler

Jim Moore

Nikki Bishop

Mike Plunkett

Bonnie Branum

Earlene Robinson

Ronald Deabenderfer

David Ronen

Joe Gasperich

Glenn Savage

Chuck Graden

Bob Sneed

Heather Hampton+Knodle

Mike Webb

Roy Hertel, Chairman

Richard Wendel

Sharon Kuchar

PATTON & COMPANY, P.C.

Certified Public Accountants

R.M. Patton
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INDEPENDENT AUDITOR'S REPORT

Montgomery County Board
Montgomery County, Illinois
Hillsboro, Illinois:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

Basis for Qualified Opinions on the Governmental Activities

Montgomery County, Illinois, has not recognized the other post-employment benefit (OPEB) expense or obligation which is required in accordance with U.S. generally accepted accounting principles and under Government Accounting Standards Board (GASB) Statement No. 45, to be recorded in the government-wide financial statements. The effects of that departure on the financial statements are not reasonably determinable. The County has also not disclosed the descriptive information about the other post-employment benefits required by standards.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund of Montgomery County, Illinois, as of November 30, 2013, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require management's discussion and analysis, budgetary comparison information, and IMRF Trend Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County, Illinois', basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management

and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of Montgomery County, Illinois', internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 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 Montgomery County, Illinois', internal control over financial reporting and compliance.

Patton & Company, P.C.

Hillsboro, Illinois
March 28, 2014

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2013

This Management's Discussion and Analysis (MD&A) of Montgomery County, Illinois, (County) is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the County's financial activity, (3) identify changes in the County's financial position (its ability to address subsequent challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify fund issues or concerns. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and accompanying notes to these financial statements.

Financial Highlights

- The assets of Montgomery County exceeded its liabilities at the close of the most recent fiscal year by \$25,704,768 (net assets). Of this amount, \$1,059,873 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Government-wide, Montgomery County had \$15,365,644 in expenses. These were offset with \$2,795,048 of charges for services (user fees) and \$3,313,459 of intergovernmental revenues. This left a balance of \$9,257,137 in expenses to be covered by general revenue sources. General revenues including property taxes, sales taxes, income taxes, and other income sources were \$10,005,614 government-wide.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$1,263,246 or 18% of total General Fund expenditures.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction to Montgomery County's basic financial statements. The County's basic financial statements comprise three parts:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

The MD&A also contains other required supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Montgomery County's finances in a manner similar to a private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables, and receivables.

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2013

The Statement of Net Position presents information on all of Montgomery County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County in total is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. (Changes in net position are reported as the underlying event giving rise to the change that occurs.) Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods (e.g. earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Montgomery County, like other units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Governmental Funds, including the General Fund, are used to account for essentially the same functions as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Montgomery County maintains governmental funds, including the General Fund and Special Revenue Funds. Of these funds, the General Fund, Public Health Fund, IMRF Fund, Coal Royalties Fund, Employees Insurance Fund, Township Bridge Program Fund, Federal Aid Matching Fund and County Motor Fuel Tax Fund are major funds as defined by GASB Statement No. 34. Each fund is presented with statements of revenues, expenditures, and changes in fund balances as well as balance sheets. Non-major funds are presented individually in the supplemental information.

Montgomery County adopts annual appropriated budgets for the General Fund and certain Special Revenue Funds. Budgeting comparison statements have been provided for the major fund types.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County's fiduciary activities are reported in a separate Statement of Fiduciary Assets and Liabilities. These activities are excluded from the County's other financial statements since the County cannot use these assets to finance its operations.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the County's financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Management's Discussion and Analysis
November 30, 2013**

Government-wide Financial Analysis

Statement of Net Position: Net position may serve over time as a useful indicator of a government's financial position. In the case of Montgomery County, assets exceeded liabilities by \$25,704,768 as of November 30, 2013.

The County's net position for the fiscal years ended November 30, are summarized below:

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Assets:		
Current assets	\$ 11,755,068	\$ 10,392,885
Capital assets	<u>14,999,846</u>	<u>16,009,251</u>
Total assets	<u>26,754,914</u>	<u>26,402,136</u>
Liabilities:		
Current liabilities	745,146	1,145,845
Other liabilities	<u>305,000</u>	<u>300,000</u>
Total liabilities	<u>1,050,146</u>	<u>1,445,845</u>
Net position:		
Net investment in capital assets	14,999,846	16,009,251
Restricted, committed, assigned	9,645,049	6,907,732
Unrestricted	<u>1,059,873</u>	<u>2,039,308</u>
Total net position	<u>\$ 25,704,768</u>	<u>\$ 24,956,291</u>

Current Year Impacts

The County's combined net position (which is the County's bottom line) increased \$748,477 to \$25,704,768 from \$24,956,291 as a result of the Governmental Activities. The County's unrestricted net position for Governmental Activities, the part of net position that can be used to finance day to day operations, is \$1,059,873.

MONTGOMERY COUNTY, ILLINOIS

**Management's Discussion and Analysis
November 30, 2013**

Governmental activities increased the net position in 2013 by \$748,477. Key elements of the increase are as follows:

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for service	\$ 2,795,048	\$ 2,935,984
Operating grants and contributions	3,313,459	3,081,753
Capital grants and contributions	-	1,187,209
General revenues:		
Property taxes	4,064,659	3,911,439
Sales taxes	1,704,101	1,285,790
Income and replacement taxes	969,581	925,609
Inheritance and real estate transfer tax	116,753	231,030
Motor fuel tax	678,727	677,221
Video gaming tax	646	-
Investment income	35,547	55,256
Other revenue	<u>2,435,600</u>	<u>1,377,012</u>
Total revenues	<u>16,114,121</u>	<u>15,668,303</u>
Expenses:		
General government	4,880,821	5,537,312
Judiciary and court-related	1,790,909	1,918,102
Public safety	3,095,764	3,155,881
Public health and welfare	3,078,746	2,967,134
Transportation	<u>2,519,404</u>	<u>2,568,208</u>
Total expenses	<u>15,365,644</u>	<u>16,146,637</u>
Changes in net position	748,477	(478,334)
Beginning net position	<u>24,956,291</u>	<u>25,434,625</u>
Ending net position	<u>\$ 25,704,768</u>	<u>\$ 24,956,291</u>

Financial Analysis of Montgomery County's Governmental Funds

As noted earlier, Montgomery County government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2013

Expenses and Program Revenues - Government Activities

Montgomery County government provides a number of services to the citizens of Montgomery County. These include law enforcement and administration of the criminal justice system, administration of consolidated elections, property tax records and tax collection for all taxing bodies, maintenance of county roads, bridges and highways, and the provision of health services.

Revenues by Source - Government Activities

Revenues to support these programs are provided by fees for services, operating grants, intergovernmental transfers, and from general revenue.

Charges for services include a wide variety of fees for court costs and for the recording of deeds and vital records.

Operating grants include both State and Federal grants; Federal grants are passed through State agencies. These may be in the form of subsidies for county personnel (such as Probation, Supervisor of Assessments, or State's Attorney) or in the form of grants which require certain services be provided within the term of the grant. These revenue sources are earmarked for provision of specific services and may not be used for other purposes.

The primary source of general revenue is property, sales, income taxes, inheritance and real estate transfer taxes and motor fuel taxes of \$7,533,821. Property taxes are collected for and recorded in separate funds, such as General Fund, Retirement Fund, Highway Fund, and so forth. The Equalized Assessed Valuation, on which all property taxes are calculated, has been growing in recent years.

Capital Assets

The County's investment in capital assets (net of related depreciation and related debt) for its Governmental type activities as of November 30, 2013, amounts to \$14,999,846. Investments in capital assets include land, building and structures, equipment, technology and equipment, and infrastructure. Net capital assets decreased by \$1,009,405 in fiscal year 2013.

Detailed information regarding the change in capital assets is shown in the footnotes of the financial report.

General Fund Budgeting Highlights

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Revenues	\$ 5,460,343	\$ 5,849,218	\$ 388,875
Expenditures	<u>7,464,057</u>	<u>6,843,312</u>	<u>620,745</u>
Excess of revenues over expenditures	(2,003,714)	(994,094)	1,009,620
Other financing sources	<u>40,000</u>	<u>(107,051)</u>	<u>(147,051)</u>
Net change in fund balance	\$ <u>(1,963,714)</u>	\$ <u>(1,101,145)</u>	\$ <u>862,569</u>

General Fund revenues were \$388,875 higher than the final budget.

General Fund actual expenditures were \$620,745 less than the final budget.

MONTGOMERY COUNTY, ILLINOIS

**Management's Discussion and Analysis
November 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Taxes	\$ 2,769,250	\$ 3,465,145	\$ 695,895
Investment income	21,800	4,266	(17,534)
Fines and fees	1,898,940	1,682,037	(216,903)
Licenses	60,600	69,406	8,806
Other	59,450	73,234	13,784
Reimbursed expenditures	<u>650,303</u>	<u>555,130</u>	<u>(95,173)</u>
Total revenues	\$ <u>5,460,343</u>	\$ <u>5,849,218</u>	\$ <u>388,875</u>

Economic Factors and Next Year's Budgets and Rates

Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the fiscal year 2014 (December 1, 2013 through November 30, 2014):

- The year 2012 unemployment rate for Montgomery County was 11.9%, the state-wide average was 8.9%.
- Sales taxes are trending upward and income taxes are trending upward.
- Fees collected for services were trending downward.
- Federal and state budget deficits placed intergovernmental receipts more at risk than previously.
- Cost-of-Living in the year 2012 was 2.1% down from the previous year of 3.20%.
- Benefits costs increased, especially costs of health coverage for County employees.

Requests for Information

This report is designed to provide a general overview for those interested in Montgomery County's financial structure. Requests concerning information provided in this report, or for additional financial information, should be addressed to the Montgomery County Treasurer, Ron Jenkins, 1 Courthouse Square, Room 101, Hillsboro, IL 62049, 217-532-9521.

BASIC FINANCIAL STATEMENTS

MONTGOMERY COUNTY, ILLINOIS

Statement of Net Position
November 30, 2013

	Governmental Activities
Assets	
Cash	\$ 10,152,406
Receivables:	
State of Illinois	1,014,709
Accounts	354,368
Other	208,152
Notes	25,433
Capital assets:	
Land and improvements	197,908
Other capital assets, net of depreciation	<u>14,801,938</u>
Total assets	<u>26,754,914</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	716,898
Unearned revenue	
Other	8,248
Accrued compensated absences	20,000
Noncurrent liabilities:	
Compensated absences	<u>305,000</u>
Total liabilities	<u>1,050,146</u>
Net Position	
Net investment in capital assets	14,999,846
Restricted	2,918,943
Committed	2,919,194
Assigned	3,806,912
Unrestricted	<u>1,059,873</u>
Total net position	<u>\$ 25,704,768</u>

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Activities
Governmental Activities
Year ended November 30, 2013**

			Program Revenues		Net (Expense) Revenue and Changes In Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 4,880,821	\$ 633,631	\$ 129,571	\$ -	\$ (4,117,619)
Judiciary and court-related	1,790,909	1,168,502	454,187	-	(168,220)
Public safety	3,095,764	792,107	80,711	-	(2,222,946)
Health and welfare	3,078,746	200,808	2,296,194	-	(581,744)
Transportation	<u>2,519,404</u>	<u>-</u>	<u>352,796</u>	<u>-</u>	<u>(2,166,608)</u>
Total governmental activities	\$ <u>15,365,644</u>	\$ <u>2,795,048</u>	\$ <u>3,313,459</u>	\$ <u>-</u>	<u>(9,257,137)</u>
General revenues:					
Taxes:					
Property					4,064,659
Sales					1,704,101
Income and replacement					969,581
Inheritance and real estate transfer					116,753
Motor fuel					678,727
Video gaming					646
Investment income					35,547
Other					216,966
Loss on disposal of assets					(6,081)
Coal Royalties					<u>2,224,715</u>
Total general revenues					<u>10,005,614</u>
Change in net position					748,477
Net position, beginning of year					<u>24,956,291</u>
Net position, end of year					<u>\$ 25,704,768</u>

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Balance Sheet
Governmental Funds
November 30, 2013**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>IMRF Fund</u>	<u>Coal Royalties Fund</u>
Assets				
Cash	\$ 710,160	\$ 765,349	\$ 357,605	\$ 2,921,194
Accounts receivable	128,864	49,859	-	-
Due from other governmental agencies:				
State of Illinois	480,467	497,901	-	-
Due from other funds	203,892	1,562	2,793	-
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 1,523,383</u>	 <u>\$ 1,314,671</u>	 <u>\$ 360,398</u>	 <u>\$ 2,921,194</u>
Liabilities and Fund Balances				
Liabilities:				
Due to other funds	\$ 172,917	\$ 77,383	\$ -	\$ -
Accounts payable and accrued expenses	87,220	238,010	147,649	2,000
Deferred revenue	<u>-</u>	<u>8,248</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>260,137</u>	 <u>323,641</u>	 <u>147,649</u>	 <u>2,000</u>
Fund Balances:				
Restricted	-	-	212,749	-
Committed	-	-	-	2,919,194
Assigned	-	991,030	-	-
Unassigned	<u>1,263,246</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balances	 <u>1,263,246</u>	 <u>991,030</u>	 <u>212,749</u>	 <u>2,919,194</u>
 Total liabilities and fund balances	 <u>\$ 1,523,383</u>	 <u>\$ 1,314,671</u>	 <u>\$ 360,398</u>	 <u>\$ 2,921,194</u>

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Balance Sheet
Governmental Funds
November 30, 2013**

<u>Employees Insurance Fund</u>	<u>County Motor Fuel Tax Fund</u>	<u>Federal Aid Matching</u>	<u>Township Bridge Program Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 311,896	\$ 364,204	\$ 848,253	\$ 8,454	\$ 3,865,291	\$ 10,152,406
-	-	120,298	-	55,347	354,368
-	36,341	-	-	-	1,014,709
264,832	-	781	-	4,124	477,984
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,433</u>	<u>25,433</u>
<u>\$ 576,728</u>	<u>\$ 400,545</u>	<u>\$ 969,332</u>	<u>\$ 8,454</u>	<u>\$ 3,950,195</u>	<u>\$ 12,024,900</u>
\$ -	\$ -	\$ -	\$ -	\$ 19,532	\$ 269,832
174,500	-	12,073	-	55,446	716,898
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,248</u>
<u>174,500</u>	<u>-</u>	<u>12,073</u>	<u>-</u>	<u>74,978</u>	<u>994,978</u>
-	400,545	957,259	8,454	1,339,936	2,918,943
-	-	-	-	-	2,919,194
402,228	-	-	-	2,413,654	3,806,912
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,627</u>	<u>1,384,873</u>
<u>402,228</u>	<u>400,545</u>	<u>957,259</u>	<u>8,454</u>	<u>3,875,217</u>	<u>11,029,922</u>
<u>\$ 576,728</u>	<u>\$ 400,545</u>	<u>\$ 969,332</u>	<u>\$ 8,454</u>	<u>\$ 3,950,195</u>	<u>\$ 12,024,900</u>

MONTGOMERY COUNTY, ILLINOIS

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position
Year Ended November 30, 2013

Fund balances of the governmental funds	\$ 11,029,922
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities of \$43,309,643, net of accumulated depreciation of \$28,309,797, are not financial resources and, therefore, are not reported in the funds.	14,999,846
Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(325,000)</u>
Net position of governmental activities	\$ <u>25,704,768</u>

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended November 30, 2013**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>IMRF Fund</u>	<u>Coal Royalties Fund</u>
Revenues:				
Taxes	\$ 3,465,145	\$ 422,946	\$ 939,781	\$ -
Intergovernmental	555,130	2,296,194	1,853	-
Fines and fees	1,682,037	200,808	860	-
Interest	4,266	3,007	-	7,112
Miscellaneous	76,183	7,697	-	2,224,715
Licenses and fees	69,406	-	-	-
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,852,167</u>	<u>2,930,652</u>	<u>942,494</u>	<u>2,231,827</u>
Expenditures:				
Current:				
General government	2,946,158	-	889,653	2,000
Public safety	2,478,937	-	-	-
Health and welfare	-	2,874,081	-	-
Transportation	-	-	-	-
Judiciary and court related	1,277,936	-	-	-
Capital outlay	<u>140,281</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>6,843,312</u>	<u>2,874,081</u>	<u>889,653</u>	<u>2,000</u>
Excess (deficiency) of revenues over expenditures	<u>(991,145)</u>	<u>56,571</u>	<u>52,841</u>	<u>2,229,827</u>
Other financing sources (uses):				
Transfers in	40,000	-	-	-
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(110,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,101,145)	56,571	52,841	2,229,827
Fund balances, beginning of year	<u>2,364,391</u>	<u>934,459</u>	<u>159,908</u>	<u>689,367</u>
Fund balances, end of year	<u>\$ 1,263,246</u>	<u>\$ 991,030</u>	<u>\$ 212,749</u>	<u>\$ 2,919,194</u>

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended November 30, 2013

<u>Employees Insurance Fund</u>	<u>County Motor Fuel Tax Fund</u>	<u>Federal Aid Matching</u>	<u>Township Bridge Program Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 678,727	\$ 211,471	\$ -	\$ 1,816,397	\$ 7,534,467
-	-	120,398	127,238	212,646	3,313,459
-	-	-	-	-	1,883,705
1,180	1,278	3,231	86	15,387	35,547
-	-	-	-	133,086	2,441,681
-	-	-	-	-	69,406
-	-	-	-	<u>841,937</u>	<u>841,937</u>
<u>1,180</u>	<u>680,005</u>	<u>335,100</u>	<u>127,324</u>	<u>3,019,453</u>	<u>16,120,202</u>
(105,109)	-	-	-	956,950	4,689,652
-	-	-	-	416,533	2,895,470
-	-	-	-	151,111	3,025,192
-	557,577	225,750	122,790	895,250	1,801,367
-	-	-	-	371,259	1,649,195
-	-	-	-	<u>156,163</u>	<u>296,444</u>
(105,109)	<u>557,577</u>	<u>225,750</u>	<u>122,790</u>	<u>2,947,266</u>	<u>14,357,320</u>
<u>106,289</u>	<u>122,428</u>	<u>109,350</u>	<u>4,534</u>	<u>72,187</u>	<u>1,762,882</u>
-	-	-	-	150,000	190,000
-	-	-	-	(40,000)	(190,000)
-	-	-	-	<u>110,000</u>	-
106,289	122,428	109,350	4,534	182,187	1,762,882
<u>295,939</u>	<u>278,117</u>	<u>847,909</u>	<u>3,920</u>	<u>3,693,030</u>	<u>9,267,040</u>
\$ <u>402,228</u>	\$ <u>400,545</u>	\$ <u>957,259</u>	\$ <u>8,454</u>	\$ <u>3,875,217</u>	\$ <u>11,029,922</u>

MONTGOMERY COUNTY, ILLINOIS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Governmental Activities on the Statement of Activities
Year Ended November 30, 2013

Net change in fund balances - total governmental funds \$ 1,762,882

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlay as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 296,444
Depreciation	<u>(1,299,768)</u>

Excess of capital outlay over depreciation (1,003,324)

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds.

Compensated absences payable change	(5,000)
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Loss on disposal of capital assets	<u>(6,081)</u>
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Change in net position of governmental activities \$ 748,477

See notes to the financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Fiduciary Net Position
Agency Funds
November 30, 2013**

Assets	
Cash	\$ 1,623,374
Investments	143,583
Accounts receivable	<u>104,572</u>
Total assets	\$ <u>1,871,529</u>
Liabilities	
Due to others	\$ 1,663,377
Due to other funds	<u>208,152</u>
Total liabilities	\$ <u>1,871,529</u>

See notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies

As discussed in Note 1.C., these financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

1.A. Financial Reporting Entity

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization.

The County has developed criteria to determine whether outside agencies with activities which benefit the citizens of the County should be included within its financial reporting entity. The criteria for including organizations within the County's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based on these criteria, there are no potential component units which are required to be included in the accompanying financial statements.

Related Organizations: The County's officials are also responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Board appoints board members to the following: 9-1-1, Public Building Commission, Montgomery County Housing, Public Health, Tuberculosis, some Drainage Districts in Montgomery County, all Fire Protection Districts in Montgomery County, Abandoned Cemetery, Ambulance, Board of Review, Economic Development Corporation, Airport Authority, and West Central Planning Workforce Investment.

1.B. Basis of Presentation

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the County as a whole. They include all funds of the reporting entity, except fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. The County presently has no proprietary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the main operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of the category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.
- c. A fund that does not meet the criteria of (a) or (b), but for which management has determined is of such significance to be reported as a major fund.

Governmental Funds: Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. The following are the County's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Illinois.

Public Health Fund - The County Health Fund accounts for a county-wide property tax levy and federal and state grants for operating the Montgomery County Health Department, and the costs of services provided to the public through the department.

IMRF Fund - The IMRF Fund is a fund that levies property taxes to fund retirement as prescribed by the statutes of the State of Illinois.

Employees Insurance Fund - This fund accounts for the County's portion of insurance expense paid on behalf of their employees.

County Motor Fuel Tax Fund - This fund is used to account for maintenance of County owned roads and motor fuel tax received.

Federal Aid Matching - The fund is used to account for infrastructure repairs and maintenance.

Township Bridge Program Fund - This fund is used to account for maintenance of Township bridges from state and federal funds.

Coal Royalties Fund - This fund is used to account for royalties from coal mined at Deer Run Mine located in Montgomery County.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Fiduciary Funds: Fiduciary fund reporting focuses on net position and changes in net position. The County utilizes agency funds which are generally used to account for assets that the County holds in fiduciary capacity or on behalf of others as their agent.

1.C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financial sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

1.D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus, as defined in item “b.” below.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified accrual basis of accounting, is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The government-wide statements utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (defined as 60 days) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

1.E. Assets, Liabilities and Equity

Cash and Cash Equivalents

For the purposes of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments

Investments consist entirely of non-negotiable certificates of deposit whose original maturity term exceeds three months. All non-negotiable certificates of deposit whose original maturity term exceeds three months are carried at cost.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements
November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales tax and property tax.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, property taxes and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Inventories

The County has chosen to record consumable materials and supplies as expenditures at the time of purchase, and, due to its immaterial amount, no balances for inventory on-hand are reported on the balance sheet.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to November 30, 2003. Prior to December 1, 2003, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since December 1, 2003, are recorded at cost.

Depreciation of all exhaustible capital assets arising from cash transactions is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The County generally capitalizes assets with minimum costs of: land improvements \$25,000; building and facilities \$50,000; building and improvements \$25,000; all other non-infrastructure assets \$5,000; and for infrastructure type assets (roads, bridges, culverts, curbs, sidewalks, lighting systems, gutters, drainage systems, easements, waterways, etc.) \$200,000. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The range of estimated useful lives by type of assets is as follows:

<u>Description</u>	<u>Estimated Lives</u>
Building and building improvements	20-40 years
Vehicles	3-7 years
Furniture and fixtures	7-10 years
Technology and equipment	5 years
Infrastructure	10-50 years

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements
November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Debt

All long-term debt to be repaid from governmental resources is reported as a liability in the government-wide statements.

Long-term debt of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Equity Classification

Government-Wide Statements

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements - Fund Balance Classifications

This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The County reports the following fund balance reporting classifications in accordance with the provisions of the statement:

Nonspendable Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The County reports its prepaid expenses in this classification.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Restricted Fund Balance - The restricted fund balance classification includes amounts that are restricted to specific purposes. Fund balances are reported as restricted when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority (i.e. County Board). To be reported as committed, amounts cannot be used for any other purpose unless the County takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the County Board or by an official or body to which the County Board delegates the authority.

Unassigned Fund Balance - The unassigned fund balance classification includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

The County's policy is to spend restricted fund balance before spending unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available except for instances where a County budget resolution specifies the fund balance.

The County's policy is that committed and assigned fund balances are considered to have been spent before unassigned balances have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used except for instances where a County budget ordinance specifies the fund balance.

1.F. Revenues, Expenditures, and Expenses

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the County's taxpayers are reported as program revenues. The County has the following program revenue in the:

General Government Function	Fees, charges for services, licenses, and tires.
Judiciary and Court Related Function	Fines and fees and state stipends.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements
November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Public Safety Function	Fine revenues; grant revenue for salaries and drug task force reimbursement.
Health and Welfare Function	Fees. Operating grants received for health programs.
Transportation Function	Reimbursements and operating grants for improvement projects.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

1.G. Internal and Interfund Balances and Activities

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

Fund Financial Statements

Interfund activity, if any, within and among the governmental and fiduciary fund categories is reported as follows in the fund financial statements:

- a. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. Interfund reimbursements - Repayments from funds responsible for certain expenditures/ expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- d. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

Government-Wide Financial Statements

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

- a. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and fiduciary activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and fiduciary activities which are reported as Internal Balances.
- b. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and fiduciary activities, which are reported as Internal-Transfer Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

1.H. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results may differ from those estimates.

1.I. Property Taxes

The County's property tax is levied on January 1 of each year on all taxable real property located in Montgomery County. Real property tax revenue received in 2013 represents collections of the 2012 taxes. Real property taxes for the 2013 levy will be collected in and are intended to finance the 2014 operations and are not considered available for current operations. The 2013 tax levy has not been recorded as a receivable at November 30, 2013.

Montgomery County property is assessed as of January 1 of each year by the Township Assessors. The values are adjusted by various percentages according to the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state.

Property taxes are collected by the Montgomery County Treasurer who periodically remits to each taxing unit its respective share of the collections. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within applicable funds. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1. A lien on taxable property is effective thirty (30) days after the second installment due date. The budget and levy were approved on November 8, 2012. The assessed valuation for 2012 was \$394,639,853.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements
November 30, 2013

Note 1 - Summary of Significant Accounting Policies, continued

The following are the taxes levied per \$100 of assessed valuation:

	<u>2012 Tax Rate</u>
General Corporate	.20250
I.M.R.F.	.22350
County Highway	.10000
Bridges	.05000
Federal Aid Matching	.05000
Public Health	.10000
Social Security	.13352
Tuberculosis	.02301
Liability Insurance	.09452
Senior Citizens	.02028
Veteran's Assistance	<u>.02000</u>
	<u>1.01733</u>

1.J. Compensated Absences

All full-time employees who have worked twelve consecutive months for the County accrue vacation credit for the time worked on the following basis:

One year	10 working days
Five years	15 working days
Ten years	20 working days
Twenty years	25 working days
Thirty years	30 working days

Employees are required to use all earned vacation days by the end of the fiscal year.

All full-time employees, having completed one year of continuous service, should be entitled to 12 days of sick leave each year.

The County does not set aside funds in its current budget to fund liabilities incurred during its period. Rather, the County funds compensated absences, other than in proprietary funds, on a 'pay-as-you-go' basis.

Upon retirement, employees are entitled to receive up to \$2,000 for payment of accumulated sick days. Sick leave in excess of 100 days maximum is not paid upon termination, but will be paid only upon illness while in the employment of the County.

The total compensated absences balance at November 30, 2013, was \$325,000.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements
November 30, 2013

Note 1 - Stewardship, Compliance, and Accountability, continued

1.K. Subsequent Events

The County has evaluated subsequent events through March 28, 2014, the date on which the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure of the financial statements.

Note 2 - Stewardship, Compliance, and Accountability

2.A. Deposits and Investments

The County's investment policy is in accordance with the Illinois Compiled Statutes. The County is authorized by statute to make deposits or investments in obligations of the U.S. Government; obligations of state or their political subdivisions; savings accounts, time deposits, certificates of deposit; or other investments which are direct obligations of banks as defined by the Illinois Banking Act; and the Illinois Funds. The County does not enter into any reverse repurchase agreements.

The County's deposits are in checking, savings accounts and certificates of deposit and are carried at cost. The County's current investment practice is only to invest in local financial institution accounts and the Illinois State Treasurer's Investment Pool.

Cash on hand of \$13,927 has been excluded from the amounts shown below.

Deposits and Custodial Credit Risk

At November 30, 2013, the carrying value of the County's deposits, net of outstanding checks including certificates of deposit, totaled \$11,919,363 and the bank balances totaled \$11,818,158. Of this balance \$869,917 was insured by the Federal Deposit Insurance Corporation (FDIC), \$10,948,241 was covered by pledged collateral, which was held in the County's name, and \$0 was uncollateralized.

Interest Rate Risk

The County does not have a formal policy that limits invested maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At November 30, 2013, the County's deposits were as follows:

Governmental Funds	\$ 10,152,406
Agency Funds	<u>1,766,957</u>
	\$ <u>11,919,363</u>

MONTGOMERY COUNTY, ILLINOIS

**Notes to the Financial Statements
November 30, 2013**

Note 3 - Capital Assets

The following notes present detailed information to support the amounts in the basic financial statements for its various assets, liabilities, equity, revenues and expenditures/expenses.

Capital asset activity for the year ended November 30, 2013, was as follows:

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance November 30, 2013</u>
Primary government				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 197,908	\$ -	\$ -	\$ 197,908
Total nondepreciable capital assets	<u>197,908</u>	<u>-</u>	<u>-</u>	<u>197,908</u>
Depreciable capital assets:				
Buildings and building improvements	12,358,983	11,163	-	12,370,146
Vehicles	1,602,423	126,863	405,456	1,323,830
Equipment	2,453,370	158,418	61,252	2,550,536
Infrastructure	<u>26,867,223</u>	<u>-</u>	<u>-</u>	<u>26,867,223</u>
Total depreciable assets	<u>43,281,999</u>	<u>296,444</u>	<u>466,708</u>	<u>43,111,735</u>
Less accumulated depreciation for:				
Buildings and building improvements	5,442,713	313,419	-	5,756,132
Vehicles	1,314,946	128,355	399,374	1,043,927
Equipment	1,796,066	208,625	61,253	1,943,438
Infrastructure	<u>18,916,931</u>	<u>649,369</u>	<u>-</u>	<u>19,566,300</u>
Total accumulated depreciation	<u>27,470,656</u>	<u>1,299,768</u>	<u>460,627</u>	<u>28,309,797</u>
Total depreciable assets, net	<u>15,811,343</u>	<u>(1,003,324)</u>	<u>6,081</u>	<u>14,801,938</u>
Governmental activities capital assets, net	\$ <u>16,009,251</u>	\$ <u>(1,003,324)</u>	\$ <u>6,081</u>	\$ <u>14,999,846</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 186,169
Judiciary and court related	141,714
Public safety	200,294
Transportation	718,037
Health and welfare	<u>53,554</u>
Total depreciation expense - governmental activities	\$ <u>1,299,768</u>

MONTGOMERY COUNTY, ILLINOIS

**Notes to the Financial Statements
November 30, 2013**

Note 4 - Interfund Receivables and Payables and Transfers

Interfund receivables and payables at November 30, 2013, resulted from two types of transactions between funds. The first transaction types consist of loans made to provide working capital for operation or projects as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 203,892	\$ 172,917
Public Health Fund	1,562	77,383
Social Security Fund	1,781	5,000
GIS Imprest Fund	-	980
County Aid to Bridges Fund	781	-
Employees Insurance Fund	264,832	-
Sheriff's Fund	-	183,109
State's Attorney Fund	-	443
Probation Fund	-	723
County Treasurer's Other Funds	-	20,546
Federal Aid Matching	781	-
IMRF	2,793	-
County Highway Fund	1,562	11,366
Tuberculosis Fund	-	3,166
Coordinated Services Imprest Fund	<u>-</u>	<u>2,351</u>
Total interfund receivables/payables	<u>\$ 477,984</u>	<u>\$ 477,984</u>
	<u>Transfers Out</u>	<u>Transfers In</u>
County Court Fund	\$ 40,000	\$ -
General Fund	150,000	40,000
Emergency Telephone System Fund	<u>-</u>	<u>150,000</u>
Total transfers	<u>\$ 190,000</u>	<u>\$ 190,000</u>

The transfers were for operating expenses.

Note 5 - Risk Management and Employee Matters

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters; and net income losses for which the County carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is insured by the Illinois Counties Risk Management Trust through which property, general liability, automobile liability, crime, boiler and machinery, and workers' compensation coverage is provided in excess of specified limits.

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 5 - Risk Management and Employee Matters

The County pays all elected officials' bond by statute.

Group Health Plan

Montgomery County Group Health Plan is the benefit plan of Montgomery County, Illinois, the Plan Administrator, also called the Plan Sponsor. The Plan is a partially self-funded group health Plan and the administration is provided through a Third Party Claims Administrator. The funding for the benefits is derived from the funds of the Employer and contributions made by covered Employees. The level of any Employee contributions will be set by the Plan Administrator. These Employee contributions will be used in funding the cost of the Plan as soon as practicable after they have been received from the Employee or withheld from the Employee's pay through payroll deduction. For the period ending November 30, 2013, of the 160 eligible employees there were 117 on the Plan representing coverage for 74 "employee only" and 44 "family".

Employee Voluntary Severance Plan

The County offered a voluntary severance plan to eligible employees in November, 2013. The program was strictly voluntary and no employees were specifically targeted for participation. Elected officials were excluded.

Eligible employees included those that met the following requirements:

1. 55 or more years of age.
2. Have 8 or more consecutive years of service as an employee of Montgomery County.

Note 6 - Pension Plan

Employees of the County participate in the Illinois Municipal Retirement Fund (IMRF).

Plan Description : The County's defined benefit pension plan for Regular, Elected County Officials (ECO), and Sheriff's Law Enforcement Personnel (SLEP) employees provide retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The County plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

MONTGOMERY COUNTY, ILLINOIS

**Notes to the Financial Statements
November 30, 2013**

Note 6 - Pension Plan - continued

Funding Policy: As set by statute, the Regular, ECO and SLEP plan members are required to contribute 4.50%, 7.50%, and 7.50%, respectively, of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2013, for Regular, ECO and SLEP was 11.34%, 55.05% and 16.45%, respectively, of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

Annual Pension Cost: For 2012, the County's required contribution for calendar year 2013 was \$671,721 for the Regular plan, \$95,400 for the Elected County Official Plan, and \$147,478 for the Sheriff's Law Enforcement Personnel Plan.

Three-year Trend Information for the Regular Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 671,721	100%	\$ 0
12/31/11	649,051	100%	0
12/31/10	660,205	100%	0

Three-year Trend Information for the Elected County Officials Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 95,400	100%	\$ 0
12/31/11	80,475	100%	0
12/31/10	58,775	100%	0

Three-year Trend Information for the Sheriff's Law Enforcement Personnel Plan

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 147,478	100%	\$ 0
12/31/11	137,326	100%	0
12/31/10	113,343	100%	0

MONTGOMERY COUNTY, ILLINOIS

Notes to the Financial Statements November 30, 2013

Note 6 - Pension Plan - continued

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumption at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expense), (b) projected salary increase of 4.00% a year, attributable to inflation, (c) additional projected salary increase ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/ merit, and (d) post retirement increase of 3% annually. The actuarial value of the County's Regular, ECO, and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Regular, ECO, and SLEP plan's unfunded actuarial accrued liability at December 31, 2011, is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2013, the most recent actuarial valuation date, the Regular Plan was 74.33 percent funded. The actuarial liability for benefits was \$14,597,173 and the actuarial value of assets was \$10,849,622, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,747,551. The covered payroll (annual payroll of active employees covered by the plan) was \$5,731,407 and the ratio of the UAAL to the covered payroll was 65 percent.

As of December 31, 2013, the most recent valuation date, the Elected County Officials Plan was 28.51 percent funded. The actuarial accrued liability for benefits was \$1,379,727 and the actuarial value of assets was \$393,376, resulting in an underfunded actuarial liability (UAAL) of \$986,351. The covered payroll (annual payroll of active employees covered by the plan) was \$146,386 and the ratio of the UAAL to the covered payroll was 674 percent.

As of December 31, 2013, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel Plan was 75.50 percent funded. The actuarial accrued liability for benefits was \$3,037,503 and the actuarial value of the assets was \$2,293,329, resulting in an underfunded actuarial accrued liability (UAAL) of \$744,174. The covered payroll (annual payroll of active employees covered by the plan) was \$866,496 and the ratio of the UAAL to the covered payroll was 86 percent.

The schedules of funding progress, presented as RSI following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

MONTGOMERY COUNTY, ILLINOIS

**Notes to the Financial Statements
November 30, 2013**

Note 7 - Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the year ended November 30, 2013:

Compensated Absences

	Balance December 1, <u>2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance November 30, <u>2013</u>	<u>Current Portion</u>
Compensated absences	\$ <u>320,000</u>	\$ <u>5,000</u>	\$ <u>-</u>	\$ <u>325,000</u>	\$ <u>20,000</u>

Note 8 - Coal Royalties

The County entered into an agreement with Colt, LLC, a West Virginia limited liability company, and Colt Coal Company, Inc., a West Virginia corporation, in regards to coal mined at the Deer Run Mine located in Montgomery County, Illinois. The County will receive a production royalty of two percent of the F.O.B. Mine Average Gross Realization per ton of coal.

Note 9 - Fund Equity Deficit

The following fund reported a deficit fund balance as of November 30, 2013. The Social Security Fund deficit will be eliminated by property tax revenue.

Special Revenue Fund:

Social Security Fund	\$ <u>2,041</u>
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MONTGOMERY COUNTY, ILLINOIS

**Notes to the Financial Statements
November 30, 2013**

Note 10 - Fund Changes and Fund Balances

Amounts for specific purposes by fund balance classifications for the year ended November 30, 2013, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Restricted</u>		
IMRF	Retirement	\$ 212,749
County Motor Fuel	Maintenance of roads	400,545
Federal Aid to Bridges	Infrastructure repairs and improvements	957,259
Township Bridge	Infrastructure repairs and improvements	8,454
County Aid to Bridges	Infrastructure repairs and improvements	757,202
Tuberculosis	Health	117,175
Senior Citizens	Senior Citizens Association	56,432
Property and Liability Insurance	Insurance	223,211
Veterans' Assistance	Assistance to veterans	<u>185,916</u>
Total restricted		<u>2,918,943</u>
<u>Committed</u>		
Coal Royalties Fund	Future capital outlay projects	<u>2,919,194</u>
Total committed		<u>2,919,194</u>
<u>Assigned</u>		
Health	Health	991,030
Employee Insurance	Health insurance	402,228
Drug Asset Forfeiture	Public safety	5,972
County Highway	Maintenance and operation of highway system	257,267
County Farm Special Bridge	Infrastructure repairs and improvements	95,855
Equipment	Purchase and maintenance of highway equipment	374,010
Probation Fee	Court related matters	211,235
Record Keeping	Court related matters	150,203
Coroner	Coroner services	19,855
Electronic Citation	Court related matters	12,215
Document Storage	Court related matters	95,096
Victim Impact	Court related matters	4,212
Clerk Automation	Court related matters	105,577
Drug Court	Court related matters	51,031
County Court	Court related matters	296,087
Automation	Court related matters	370,454
County Drug	Court related matters	10,636
Law Library	Court related matters	42,019
Drug Test	Court related matters	26,972
Revolving Loan	Court related matters	230,310
States Attorney Automation	Court related matters	4,612
Animal Control - Vanek Estate	Animal control matters	<u>50,036</u>
Total assigned		<u>3,806,912</u>
<u>Unassigned</u>		
General		1,263,246
Emergency Service	911 services	123,668
Social Security	Payroll taxes	<u>(2,041)</u>
Total unassigned		<u>1,384,873</u>
		<u>\$ 11,029,922</u>

REQUIRED SUPPLEMENTARY INFORMATION

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes:			
Sales	\$ 1,012,000	\$ 1,704,101	\$ 692,101
Income	650,000	727,309	77,309
Replacement	48,000	59,309	11,309
Property	894,250	857,027	(37,223)
Real estate transfers	165,000	116,753	(48,247)
Video gaming	-	646	646
Total taxes	<u>2,769,250</u>	<u>3,465,145</u>	<u>695,895</u>
Interest, costs and penalties - net	<u>21,800</u>	<u>4,266</u>	<u>(17,534)</u>
Fines and Fees:			
Geographic Information System	103,140	102,338	(802)
County Clerk	175,000	170,803	(4,197)
Coroner	5,000	11,830	6,830
State's Attorney	600,000	502,813	(97,187)
Circuit Clerk	371,000	317,116	(53,884)
Public Defender	15,000	12,744	(2,256)
Sheriff	369,800	346,079	(23,721)
Costs of enforcement	-	51,106	51,106
Host	80,000	65,260	(14,740)
Recycling	180,000	101,948	(78,052)
Total fines and fees	<u>1,898,940</u>	<u>1,682,037</u>	<u>(216,903)</u>
Licenses and fees:			
Liquor and gaming	4,200	4,275	75
Animal Control	56,400	65,131	8,731
Total licenses and fees	<u>60,600</u>	<u>69,406</u>	<u>8,806</u>
Other Revenues:			
Miscellaneous revenues, refunds and reimbursements from other departments	44,950	63,593	18,643
Indemnity	10,500	9,300	(1,200)
Tax sale automation	4,000	3,290	(710)
Total other revenues	<u>59,450</u>	<u>76,183</u>	<u>16,733</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Reimbursed Expenditures:			
Christian/Montgomery ROE	\$ 37,046	\$ 38,447	\$ 1,401
Help Americans Vote Act	-	6,111	6,111
Federal & SCIDTF overtime	-	12,061	12,061
Supervisor of Assessments	30,615	24,701	(5,914)
Election judges	1,340	4,368	3,028
State's Attorney, assistants and violent crime	158,627	170,164	11,537
Probation	187,045	79,128	(107,917)
EMA	21,144	22,632	1,488
Ambulance	74,798	58,079	(16,719)
Public defender	99,905	99,895	(10)
IEPA Grant	<u>39,783</u>	<u>39,544</u>	<u>(239)</u>
Total reimbursed expenditures	<u>650,303</u>	<u>555,130</u>	<u>(95,173)</u>
Total revenues	<u>5,460,343</u>	<u>5,852,167</u>	<u>391,824</u>
Expenditures:			
General Government:			
Building and Grounds:			
Salaries	46,498	44,335	2,163
Other	<u>371,850</u>	<u>279,107</u>	<u>92,743</u>
Total building and grounds	<u>418,348</u>	<u>323,442</u>	<u>94,906</u>
County Clerk:			
Salaries	240,214	248,367	(8,153)
Other	<u>10,500</u>	<u>11,340</u>	<u>(840)</u>
Total County Clerk	<u>250,714</u>	<u>259,707</u>	<u>(8,993)</u>
Treasurer:			
Salaries	183,798	182,627	1,171
Other	<u>17,650</u>	<u>20,948</u>	<u>(3,298)</u>
Total Treasurer	<u>201,448</u>	<u>203,575</u>	<u>(2,127)</u>
Coroner:			
Salaries	38,647	37,597	1,050
Other	<u>77,500</u>	<u>56,351</u>	<u>21,149</u>
Total Coroner	<u>116,147</u>	<u>93,948</u>	<u>22,199</u>
Regional Superintendent of Schools:			
Salaries	55,411	55,955	(544)
Other	<u>14,670</u>	<u>14,875</u>	<u>(205)</u>
Total Regional Superintendent of Schools	<u>70,081</u>	<u>70,830</u>	<u>(749)</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Supervisor of Assessments:			
Salaries	\$ 201,657	\$ 196,338	\$ 5,319
Other	<u>30,000</u>	<u>16,950</u>	<u>13,050</u>
Total Supervisor of Assessments	<u>231,657</u>	<u>213,288</u>	<u>18,369</u>
Board of Review:			
Salaries	36,446	25,001	11,445
Other	<u>8,650</u>	<u>276</u>	<u>8,374</u>
Total Board of Review	<u>45,096</u>	<u>25,277</u>	<u>19,819</u>
County Board Office:			
Salary - County Board Chairman	7,500	6,000	1,500
Other	<u>107,720</u>	<u>102,923</u>	<u>4,797</u>
Total County Board Office	<u>115,220</u>	<u>108,923</u>	<u>6,297</u>
Information System:			
Salaries	99,085	99,085	-
Other	<u>33,260</u>	<u>27,668</u>	<u>5,592</u>
Total Information System	<u>132,345</u>	<u>126,753</u>	<u>5,592</u>
Election:			
Salaries	6,255	3,523	2,732
Other	<u>147,222</u>	<u>112,889</u>	<u>34,333</u>
Total Election	<u>153,477</u>	<u>116,412</u>	<u>37,065</u>
Economic and Infrastructure Development:			
Trail maintenance	<u>32,950</u>	<u>30,848</u>	<u>2,102</u>
Total Economic and Infrastructure Development	<u>32,950</u>	<u>30,848</u>	<u>2,102</u>
General Administrative:			
Other	1,211,950	938,085	273,865
Fayco Grant	<u>34,000</u>	<u>34,000</u>	<u>-</u>
Total General Administrative	<u>1,245,950</u>	<u>972,085</u>	<u>273,865</u>
Geographic Information System:			
Salaries	50,003	48,663	1,340
Other	31,550	12,722	18,828
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Geographic Information System	<u>86,553</u>	<u>61,385</u>	<u>25,168</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2013
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Coordinated Services:			
Salaries	\$ 67,052	\$ 69,926	\$ (2,874)
Other	<u>4,200</u>	<u>4,450</u>	<u>(250)</u>
Total Coordinated Services	<u>71,252</u>	<u>74,376</u>	<u>(3,124)</u>
Solid Waste:			
Salaries	38,196	38,931	(735)
Other	<u>4,600</u>	<u>4,994</u>	<u>(394)</u>
Total Solid Waste	<u>42,796</u>	<u>43,925</u>	<u>(1,129)</u>
Recycling:			
Salaries	166,102	155,103	10,999
Other	66,803	66,281	522
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Recycling	<u>237,905</u>	<u>221,384</u>	<u>16,521</u>
Total General Government	<u>3,451,939</u>	<u>2,946,158</u>	<u>505,781</u>
Judiciary and Court-Related:			
Montgomery County Judge's Office:			
Judge's Office	<u>4,000</u>	<u>3,352</u>	<u>648</u>
Total Montgomery County Judge's Office	<u>4,000</u>	<u>3,352</u>	<u>648</u>
State's Attorney Office:			
Salaries	363,008	361,642	1,366
Other	<u>34,650</u>	<u>23,026</u>	<u>11,624</u>
Total State's Attorney Office	<u>397,658</u>	<u>384,668</u>	<u>12,990</u>
Circuit Clerk's Office:			
Salaries	248,628	252,874	(4,246)
Other	<u>19,980</u>	<u>12,318</u>	<u>7,662</u>
Total Circuit Clerk's Office	<u>268,608</u>	<u>265,192</u>	<u>3,416</u>
Probation Office:			
Salaries	292,689	291,466	1,223
Other	<u>14,675</u>	<u>18,206</u>	<u>(3,531)</u>
Total Probation Office	<u>307,364</u>	<u>309,672</u>	<u>(2,308)</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2013
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Defender:			
Salaries	\$ 169,657	\$ 169,657	\$ -
Other	<u>5,575</u>	<u>5,534</u>	<u>41</u>
Total Public Defender	<u>175,232</u>	<u>175,191</u>	<u>41</u>
Jury and Jurors:			
Other	<u>140,900</u>	<u>139,861</u>	<u>1,039</u>
Total Jury and Jurors	<u>140,900</u>	<u>139,861</u>	<u>1,039</u>
Total Judiciary and Court-Related	<u>1,293,762</u>	<u>1,277,936</u>	<u>15,826</u>
Public Safety:			
Sheriff:			
Salaries	1,966,056	1,882,869	83,187
Other	516,304	392,802	123,502
Capital outlay	<u>17,500</u>	<u>140,281</u>	<u>(122,781)</u>
Total Sheriff	<u>2,499,860</u>	<u>2,415,952</u>	<u>83,908</u>
Emergency Services:			
Salaries	48,365	49,299	(934)
Other	<u>22,351</u>	<u>8,374</u>	<u>13,977</u>
Total Emergency Services	<u>70,716</u>	<u>57,673</u>	<u>13,043</u>
Ambulance:			
Salaries	43,359	46,071	(2,712)
Other	<u>21,125</u>	<u>8,053</u>	<u>13,072</u>
Total Ambulance	<u>64,484</u>	<u>54,124</u>	<u>10,360</u>
Animal Control:			
Salaries	45,696	49,529	(3,833)
Other	<u>37,600</u>	<u>41,940</u>	<u>(4,340)</u>
Total Animal Control	<u>83,296</u>	<u>91,469</u>	<u>(8,173)</u>
Total Public Safety	<u>2,718,356</u>	<u>2,619,218</u>	<u>99,138</u>
Total expenditures	<u>7,464,057</u>	<u>6,843,312</u>	<u>620,745</u>
Excess (deficiency) of revenues over expenditures	<u>(2,003,714)</u>	<u>(991,145)</u>	<u>1,012,569</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources (uses):			
Transfers in	\$ 40,000	\$ 40,000	\$ -
Transfers out	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>40,000</u>	<u>(110,000)</u>	<u>(150,000)</u>
Net change in fund balance	\$ <u>(1,963,714)</u>	(1,101,145)	\$ <u>862,569</u>
Fund balance, beginning of year		<u>2,364,391</u>	
Fund balance, end of year		\$ <u>1,263,246</u>	

MONTGOMERY COUNTY, ILLINOIS

Public Health Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Replacement taxes	\$ 33,000	\$ 29,288	\$ (3,712)
Property taxes	399,200	393,658	(5,542)
Intergovernmental	2,484,480	2,296,194	(188,286)
Fees	216,500	200,808	(15,692)
Interest	6,000	3,007	(2,993)
Miscellaneous	<u>4,000</u>	<u>7,697</u>	<u>3,697</u>
Total revenues	<u>3,143,180</u>	<u>2,930,652</u>	<u>(212,528)</u>
Expenditures:			
Current:			
Health and welfare	3,136,631	2,874,081	262,550
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>3,141,631</u>	<u>2,874,081</u>	<u>267,550</u>
Net change in fund balance	\$ <u><u>1,549</u></u>	56,571	\$ <u><u>55,022</u></u>
Fund balance, beginning of year		<u>934,459</u>	
Fund balance, end of year		\$ <u><u>991,030</u></u>	

MONTGOMERY COUNTY, ILLINOIS

**Illinois Municipal Retirement Fund (IMRF)
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Replacement taxes	\$ 38,000	\$ 59,959	\$ 21,959
Property taxes	883,630	879,822	(3,808)
Intergovernmental	1,384	1,853	469
Interest	<u>1,000</u>	<u>860</u>	<u>(140)</u>
Total revenues	<u>924,014</u>	<u>942,494</u>	<u>18,480</u>
Expenditures:			
Current:			
General government	<u>985,900</u>	<u>889,653</u>	<u>96,247</u>
Total expenditures	<u>985,900</u>	<u>889,653</u>	<u>96,247</u>
Net change in fund balance	<u>\$ (61,886)</u>	52,841	<u>\$ 114,727</u>
Fund balance, beginning of year		<u>159,908</u>	
Fund balance, end of year		<u>\$ 212,749</u>	

MONTGOMERY COUNTY, ILLINOIS

**Coal Royalties Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Coal royalties	\$ 3,000,000	\$ 2,224,715	\$ (775,285)
Interest	<u>18,000</u>	<u>7,112</u>	<u>(10,888)</u>
Total revenues	<u>3,018,000</u>	<u>2,231,827</u>	<u>(786,173)</u>
Expenditures:			
Current:			
General government	570,000	2,000	568,000
Capital outlay	<u>130,000</u>	<u>-</u>	<u>130,000</u>
Total expenditures	<u>700,000</u>	<u>2,000</u>	<u>698,000</u>
Net change in fund balance	\$ <u>2,318,000</u>	2,229,827	\$ <u>(88,173)</u>
Fund balance, beginning of year		<u>689,367</u>	
Fund balance, end of year		\$ <u>2,919,194</u>	

MONTGOMERY COUNTY, ILLINOIS

Employees Insurance Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest	\$ <u>900</u>	\$ <u>1,180</u>	\$ <u>280</u>
Total revenues	<u>900</u>	<u>1,180</u>	<u>280</u>
Expenditures:			
Current:			
General government	1,685,000	1,361,896	323,104
Less: reimbursements	<u>1,733,570</u>	<u>1,467,005</u>	<u>(266,565)</u>
Net expenditures	<u>(48,570)</u>	<u>(105,109)</u>	<u>56,539</u>
Net change in fund balance	\$ <u>49,470</u>	106,289	\$ <u>56,819</u>
Fund balance, beginning of year		<u>295,939</u>	
Fund balance, end of year		\$ <u>402,228</u>	

MONTGOMERY COUNTY, ILLINOIS

**County Motor Fuel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Allotments from State of Illinois	\$ 700,000	\$ 678,727	\$ (21,273)
Interest	<u>4,400</u>	<u>1,278</u>	<u>(3,122)</u>
Total revenues	<u>704,400</u>	<u>680,005</u>	<u>(24,395)</u>
Expenditures:			
Materials and labor	<u>857,696</u>	<u>557,577</u>	<u>300,119</u>
Total expenditures	<u>857,696</u>	<u>557,577</u>	<u>300,119</u>
Net change in fund balance	\$ <u>(153,296)</u>	122,428	\$ <u>275,724</u>
Fund balance, beginning of year		<u>278,117</u>	
Fund balance, end of year		\$ <u>400,545</u>	

MONTGOMERY COUNTY, ILLINOIS

**Federal Aid Matching Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2013**

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 199,800	\$ 196,827	\$ (2,973)
Replacement taxes	17,000	14,644	(2,356)
Interest	7,000	3,231	(3,769)
Intergovernmental	<u>-</u>	<u>120,398</u>	<u>120,398</u>
Total revenues	<u>223,800</u>	<u>335,100</u>	<u>111,300</u>
Expenditures:			
Engineering	157,689	180,196	(22,507)
Bridges and roads	<u>131,354</u>	<u>45,554</u>	<u>85,800</u>
Total expenditures	<u>289,043</u>	<u>225,750</u>	<u>63,293</u>
Net change in fund balance	\$ <u>(65,243)</u>	109,350	\$ <u>174,593</u>
Fund balance, beginning of year		<u>847,909</u>	
Fund balance, end of year		\$ <u>957,259</u>	

MONTGOMERY COUNTY, ILLINOIS

Township Bridge Program Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest	\$ 1,000	\$ 86	\$ (914)
Intergovernmental	<u>639,157</u>	<u>127,238</u>	<u>(511,919)</u>
Total revenues	<u>640,157</u>	<u>127,324</u>	<u>(512,833)</u>
Expenditures:			
Bridge construction and engineering	<u>380,000</u>	<u>122,790</u>	<u>257,210</u>
Total expenditures	<u>380,000</u>	<u>122,790</u>	<u>257,210</u>
Net change in fund balance	\$ <u>260,157</u>	4,534	\$ <u>(255,623)</u>
Fund balance, beginning of year		<u>3,920</u>	
Fund balance, end of year		\$ <u>8,454</u>	

MONTGOMERY COUNTY, ILLINOIS

**Illinois Municipal Retirement
Required Supplementary Information -
Schedule of Funding Progress
November 30, 2013**

Trend information for the year ended November 30, 2013, is as follows:

**Required Supplementary Information
Schedule of Funding Progress
Elected Participants**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 393,376	\$ 1,379,727	\$ 986,351	28.51%	\$ 146,386	673.80%
12/31/11	531,472	1,497,066	965,594	35.50%	146,186	660.52%
12/31/10	111,545	1,359,898	1,248,353	8.20%	141,627	881.44%

On a market value basis, the actuarial value of assets as of December 31, 2012, was \$448,264. On a market basis, the funded ratio would be 32.49%.

Regular Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 10,849,622	\$ 14,597,173	\$ 3,747,551	74.33%	\$ 5,731,407	65.39%
12/31/11	12,138,564	15,764,573	3,626,009	77.00%	5,723,554	63.35%
12/31/10	11,377,445	14,978,186	3,600,741	75.96%	5,784,126	62.28%

On a market value basis, the actuarial value of assets as of December 31, 2012, was \$11,252,599. On a market basis, the funded ratio would be 77.09%.

Sheriff's Law Enforcement Personnel (SLEP)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 2,293,329	\$ 3,037,503	\$ 744,174	75.50%	\$ 866,496	85.88%
12/31/11	2,333,819	2,949,613	615,794	79.12%	834,811	73.76%
12/31/10	2,020,027	2,679,372	659,345	75.39%	815,416	80.86%

On a market value basis, the actuarial value of assets as of December 31, 2012, was \$2,379,626. On a market basis, the funded ratio would be 78.34%.

MONTGOMERY COUNTY, ILLINOIS

Notes to Required Supplementary Information November 30, 2013

Note 1 - Budgetary Information

All funds, except agency funds, are legally required to be budgeted and appropriated. The major document prepared is the budget and appropriations ordinance, which is prepared on the budgetary basis of accounting. The appropriations ordinance is the County Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Board.

The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. An appropriated budget is legally adopted through the budgetary process on an annual fiscal year basis for all funds.
- b. Officeholders prepare their budget requirements.
- c. Officeholders meet with the various committees and discuss and revise, if necessary, their original budget amounts.
- d. The various committees present the revised budget requests to the Finance Committee for final revision.
- e. The budget goes on public display with a public meeting to obtain taxpayers comments and review additional requests for changes.
- f. The appropriated budget was legally enacted through the passage of an appropriation ordinance by the Board on November 8, 2012. The majority of a quorum is necessary for passage.
- g. Supplemental appropriation ordinances may be passed by the Board should a new unanticipated source of revenue develop for a specific purpose.
- h. All unexpended appropriations lapse at year-end, requiring reappropriation the following year.
- i. The budget is prepared on the GAAP basis.
- j. The legal level of budgetary control is by fund and by department within the General Fund.

MONTGOMERY COUNTY, ILLINOIS

**Notes to Required Supplementary Information
November 30, 2013**

Note 2 - Budgetary Noncompliance

For the year ended November 30, 2013, expenditures exceeded budget at the legal level of control in individual funds as follows:

None

Note 3 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

- a. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- b. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments to reconcile the GAAP and budgetary basis statements are as follows:

	<u>Revenues</u>	<u>Expenditures</u>	Net Other Financing <u>Sources</u>	Fund <u>Balance</u>
Budgetary basis	\$ 5,959,647	\$ 6,975,181	\$ (107,051)	\$ 710,160
Receivables				
November 30, 2013	813,223	-	-	813,223
November 30, 2012	923,652	-	-	-
Payables				
November 30, 2013	-	260,137	-	260,137
November 30, 2012	-	392,006	-	-
	<u>\$ 5,849,218</u>	<u>\$ 6,843,312</u>	<u>\$ (107,051)</u>	<u>\$ 1,263,246</u>

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2013**

	<u>Special Revenue Funds</u>	
	<u>Tuberculosis Fund</u>	<u>Social Security Fund</u>
Assets		
Cash	\$ 120,341	\$ 1,178
Accounts receivable	-	-
Due from other funds	-	1,781
Notes receivable	<u>-</u>	<u>-</u>
Total assets	<u>\$ 120,341</u>	<u>\$ 2,959</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ -	\$ -
Due to other funds	<u>3,166</u>	<u>5,000</u>
Total liabilities	<u>3,166</u>	<u>5,000</u>
Fund Balances:		
Restricted	117,175	-
Assigned	-	-
Unassigned	<u>-</u>	<u>(2,041)</u>
Total fund balances	<u>117,175</u>	<u>(2,041)</u>
Total liabilities and fund balances	<u>\$ 120,341</u>	<u>\$ 2,959</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2013

<u>Special Revenue Funds</u>				
<u>Senior Citizens Fund</u>	<u>Property & Liability Insurance Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Drug Asset Forfeiture Fund</u>	<u>Veterans Assistance Fund</u>
\$ 56,432	\$ 223,211	\$ 79,600	\$ 5,972	\$ 185,916
-	-	44,068	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 56,432</u>	<u>\$ 223,211</u>	<u>\$ 123,668</u>	<u>\$ 5,972</u>	<u>\$ 185,916</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
56,432	223,211	-	-	185,916
-	-	-	5,972	-
<u>-</u>	<u>-</u>	<u>123,668</u>	<u>-</u>	<u>-</u>
<u>56,432</u>	<u>223,211</u>	<u>123,668</u>	<u>5,972</u>	<u>185,916</u>
<u>\$ 56,432</u>	<u>\$ 223,211</u>	<u>\$ 123,668</u>	<u>\$ 5,972</u>	<u>\$ 185,916</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
 November 30, 2013
 (Continued)

	<u>Special Revenue Funds</u>	
	<u>County Highway Fund</u>	<u>County Farm Special Bridge Matching Fund</u>
Assets		
Cash	\$ 292,223	\$ 95,855
Accounts receivable	3,081	-
Due from other funds	1,562	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	<u>\$ 296,866</u>	<u>\$ 95,855</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ 28,233	\$ -
Due to other funds	<u>11,366</u>	<u>-</u>
Total liabilities	<u>39,599</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
Assigned	257,267	95,855
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>257,267</u>	<u>95,855</u>
Total liabilities and fund balances	<u>\$ 296,866</u>	<u>\$ 95,855</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
 November 30, 2013
 (Continued)

<u>Special Revenue Funds</u>				
<u>Equipment Fund</u>	<u>County Aid to Bridges Fund</u>	<u>Probation Fee Fund</u>	<u>Record Keeping Improvement Fund</u>	<u>Animal Control Vanek Estate Fund</u>
\$ 374,159	\$ 778,753	\$ 206,894	\$ 151,184	\$ 50,036
-	259	4,341	-	-
-	781	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 374,159</u>	<u>\$ 779,793</u>	<u>\$ 211,235</u>	<u>\$ 151,184</u>	<u>\$ 50,036</u>
\$ 149	\$ 22,591	\$ -	\$ 981	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>149</u>	<u>22,591</u>	<u>-</u>	<u>981</u>	<u>-</u>
-	757,202	-	-	-
374,010	-	211,235	150,203	50,036
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>374,010</u>	<u>757,202</u>	<u>211,235</u>	<u>150,203</u>	<u>50,036</u>
<u>\$ 374,159</u>	<u>\$ 779,793</u>	<u>\$ 211,235</u>	<u>\$ 151,184</u>	<u>\$ 50,036</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
 November 30, 2013
 (Continued)

	<u>Special Revenue Funds</u>	
	<u>Coroner's Fund</u>	<u>Electronic Citation Fund</u>
Assets		
Cash	\$ 19,826	\$ 12,215
Accounts receivable	550	-
Due from other funds	-	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	\$ <u>20,376</u>	\$ <u>12,215</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ 521	\$ -
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>521</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
Assigned	19,855	12,215
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>19,855</u>	<u>12,215</u>
Total liabilities and fund balances	\$ <u>20,376</u>	\$ <u>12,215</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2013
(Continued)**

Special Revenue Funds

<u>Document Storage Fund</u>	<u>Victim Impact Fund</u>	<u>Clerk Automation Fund</u>	<u>Drug Court Fund</u>	<u>County Court Fund</u>
\$ 95,096	\$ 4,212	\$ 107,116	\$ 51,031	\$ 296,505
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>95,096</u>	\$ <u>4,212</u>	\$ <u>107,116</u>	\$ <u>51,031</u>	\$ <u>296,505</u>
\$ -	\$ -	\$ 1,539	\$ -	\$ 418
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>1,539</u>	<u>-</u>	<u>418</u>
-	-	-	-	-
95,096	4,212	105,577	51,031	296,087
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>95,096</u>	<u>4,212</u>	<u>105,577</u>	<u>51,031</u>	<u>296,087</u>
\$ <u>95,096</u>	\$ <u>4,212</u>	\$ <u>107,116</u>	\$ <u>51,031</u>	\$ <u>296,505</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
 November 30, 2013
 (Continued)

	<u>Special Revenue Funds</u>	
	<u>State's Attorney Automation Fund</u>	<u>Automation Fund</u>
Assets		
Cash	\$ 4,612	\$ 370,614
Accounts receivable	-	-
Due from other funds	-	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	\$ <u>4,612</u>	\$ <u>370,614</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ -	\$ 160
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>160</u>
Fund Balances:		
Restricted	-	-
Assigned	4,612	370,454
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>4,612</u>	<u>370,454</u>
Total liabilities and fund balances	\$ <u>4,612</u>	\$ <u>370,614</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2013
(Continued)**

Special Revenue Funds				
County Drug Fund	Law Library Fund	Drug Test Fund	Revolving Loan Fund	Total Nonmajor Governmental Funds
\$ 10,636	\$ 42,873	\$ 23,924	\$ 204,877	\$ 3,865,291
-	-	3,048	-	55,347
-	-	-	-	4,124
-	-	-	<u>25,433</u>	<u>25,433</u>
<u>\$ 10,636</u>	<u>\$ 42,873</u>	<u>\$ 26,972</u>	<u>\$ 230,310</u>	<u>\$ 3,950,195</u>
\$ -	\$ 854	\$ -	\$ -	\$ 55,446
-	-	-	-	<u>19,532</u>
-	<u>854</u>	-	-	<u>74,978</u>
-	-	-	-	1,339,936
10,636	42,019	26,972	230,310	2,413,654
-	-	-	-	<u>121,627</u>
<u>10,636</u>	<u>42,019</u>	<u>26,972</u>	<u>230,310</u>	<u>3,875,217</u>
<u>\$ 10,636</u>	<u>\$ 42,873</u>	<u>\$ 26,972</u>	<u>\$ 230,310</u>	<u>\$ 3,950,195</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2013**

	Special Revenue Funds	
	Tuberculosis Fund	Social Security Fund
Revenues:		
Property taxes	\$ 90,580	\$ 525,611
Replacement taxes	-	35,140
Intergovernmental	-	2,486
Charges for services	-	-
Miscellaneous	150	-
Interest	<u>509</u>	<u>324</u>
Total revenues	<u>91,239</u>	<u>563,561</u>
Expenditures:		
Current:		
General government	-	517,923
Public safety	-	-
Health and welfare	100,088	-
Transportation	-	-
Judiciary and court-related	-	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>100,088</u>	<u>517,923</u>
Excess (deficiency) of revenues over expenditures	<u>(8,849)</u>	<u>45,638</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(8,849)	45,638
Fund balances, beginning of year	<u>126,024</u>	<u>(47,679)</u>
Fund balances, end of year	\$ <u>117,175</u>	\$ <u>(2,041)</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2013**

Special Revenue Funds				
Senior Citizens Fund	Property & Liability Insurance Fund	Emergency Telephone System Fund	Drug Asset Forfeiture Fund	Veterans Assistance Fund
\$ 79,835	\$ 372,084	\$ -	\$ -	\$ 78,730
-	-	-	-	-
-	-	-	-	-
-	-	394,922	-	-
-	-	135	2,886	-
<u>91</u>	<u>330</u>	<u>227</u>	<u>15</u>	<u>646</u>
<u>79,926</u>	<u>372,414</u>	<u>395,284</u>	<u>2,901</u>	<u>79,376</u>
81,149	353,068	-	4,810	-
-	-	416,533	-	-
-	-	-	-	49,120
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>81,149</u>	<u>353,068</u>	<u>416,533</u>	<u>4,810</u>	<u>49,120</u>
<u>(1,223)</u>	<u>19,346</u>	<u>(21,249)</u>	<u>(1,909)</u>	<u>30,256</u>
-	-	150,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
(1,223)	19,346	128,751	(1,909)	30,256
<u>57,655</u>	<u>203,865</u>	<u>(5,083)</u>	<u>7,881</u>	<u>155,660</u>
\$ <u>56,432</u>	\$ <u>223,211</u>	\$ <u>123,668</u>	\$ <u>5,972</u>	\$ <u>185,916</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2013
(Continued)**

	Special Revenue Funds	
	County Highway Fund	County Farm Special Bridge Matching Fund
Revenues:		
Property taxes	\$ 393,658	\$ -
Replacement taxes	29,288	-
Intergovernmental	-	-
Charges for services	-	-
Miscellaneous	42,054	-
Interest	<u>784</u>	<u>446</u>
Total revenues	<u>465,784</u>	<u>446</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Transportation	563,723	-
Judiciary and court-related	-	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>563,723</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(97,939)</u>	<u>446</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(97,939)	446
Fund balances, beginning of year	<u>355,206</u>	<u>95,409</u>
Fund balances, end of year	<u>\$ 257,267</u>	<u>\$ 95,855</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended November 30, 2013
 (Continued)

Special Revenue Funds

<u>Equipment Fund</u>	<u>County Aid to Bridges Fund</u>	<u>Probation Fee Fund</u>	<u>Record Keeping Improvement Fund</u>	<u>Animal Control Vanek Estate Fund</u>
\$ -	\$ 196,827	\$ -	\$ -	\$ -
-	14,644	-	-	-
99,603	5,557	-	-	-
-	-	67,519	102,376	-
37,301	560	-	-	50,000
<u>1,620</u>	<u>3,977</u>	<u>1,021</u>	<u>421</u>	<u>36</u>
<u>138,524</u>	<u>221,565</u>	<u>68,540</u>	<u>102,797</u>	<u>50,036</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,954	297,573	-	-	-
-	-	115,762	16,260	-
<u>145,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>178,954</u>	<u>297,573</u>	<u>115,762</u>	<u>16,260</u>	<u>-</u>
<u>(40,430)</u>	<u>(76,008)</u>	<u>(47,222)</u>	<u>86,537</u>	<u>50,036</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(40,430)	(76,008)	(47,222)	86,537	50,036
<u>414,440</u>	<u>833,210</u>	<u>258,457</u>	<u>63,666</u>	<u>-</u>
<u>\$ 374,010</u>	<u>\$ 757,202</u>	<u>\$ 211,235</u>	<u>\$ 150,203</u>	<u>\$ 50,036</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2013
(Continued)**

	Special Revenue Funds	
	Coroner's Fund	Electronic Citation Fund
Revenues:		
Property taxes	\$ -	\$ -
Replacement taxes	-	-
Intergovernmental	-	-
Charges for services	8,810	6,470
Miscellaneous	-	-
Interest	-	-
Total revenues	<u>8,810</u>	<u>6,470</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	1,903	-
Transportation	-	-
Judiciary and court-related	-	-
Capital outlay	-	-
Total expenditures	<u>1,903</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,907</u>	<u>6,470</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	6,907	6,470
Fund balances, beginning of year	<u>12,948</u>	<u>5,745</u>
Fund balances, end of year	<u>\$ 19,855</u>	<u>\$ 12,215</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended November 30, 2013
 (Continued)

Special Revenue Funds

<u>Document Storage Fund</u>	<u>Victim Impact Fund</u>	<u>Clerk Automation Fund</u>	<u>Drug Court Fund</u>	<u>County Court Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	105,000	-
45,712	818	31,510	45,756	40,496
-	-	-	-	-
<u>367</u>	<u>11</u>	<u>377</u>	<u>75</u>	<u>1,303</u>
<u>46,079</u>	<u>829</u>	<u>31,887</u>	<u>150,831</u>	<u>41,799</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,882	323	2,000	116,922	21,856
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,163</u>
<u>31,882</u>	<u>323</u>	<u>2,000</u>	<u>116,922</u>	<u>33,019</u>
<u>14,197</u>	<u>506</u>	<u>29,887</u>	<u>33,909</u>	<u>8,780</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
14,197	506	29,887	33,909	(31,220)
<u>80,899</u>	<u>3,706</u>	<u>75,690</u>	<u>17,122</u>	<u>327,307</u>
<u>\$ 95,096</u>	<u>\$ 4,212</u>	<u>\$ 105,577</u>	<u>\$ 51,031</u>	<u>\$ 296,087</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended November 30, 2013
 (Continued)

	<u>Special Revenue Funds</u>	
	<u>State's Attorney Automation Fund</u>	<u>Automation Fund</u>
Revenues:		
Property taxes	\$ -	\$ -
Replacement taxes	-	-
Intergovernmental	-	-
Charges for services	4,047	45,615
Miscellaneous	-	-
Interest	<u>-</u>	<u>1,656</u>
Total revenues	<u>4,047</u>	<u>47,271</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Transportation	-	-
Judiciary and court-related	-	26,937
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>26,937</u>
Excess (deficiency) of revenues over expenditures	<u>4,047</u>	<u>20,334</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	4,047	20,334
Fund balances, beginning of year	<u>565</u>	<u>350,120</u>
Fund balances, end of year	<u>\$ 4,612</u>	<u>\$ 370,454</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended November 30, 2013
 (Continued)

<u>Special Revenue Funds</u>				
<u>County Drug Fund</u>	<u>Law Library Fund</u>	<u>Drug Test Fund</u>	<u>Revolving Loan Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,737,325
-	-	-	-	79,072
-	-	-	-	212,646
228	16,537	31,121	-	841,937
-	-	-	-	133,086
<u>-</u>	<u>201</u>	<u>55</u>	<u>895</u>	<u>15,387</u>
<u>228</u>	<u>16,738</u>	<u>31,176</u>	<u>895</u>	<u>3,019,453</u>
-	-	-	-	956,950
-	-	-	-	416,533
-	-	-	-	151,111
-	-	-	-	895,250
1,204	18,196	19,917	-	371,259
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,163</u>
<u>1,204</u>	<u>18,196</u>	<u>19,917</u>	<u>-</u>	<u>2,947,266</u>
<u>(976)</u>	<u>(1,458)</u>	<u>11,259</u>	<u>895</u>	<u>72,187</u>
-	-	-	-	150,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,000</u>
(976)	(1,458)	11,259	895	182,187
<u>11,612</u>	<u>43,477</u>	<u>15,713</u>	<u>229,415</u>	<u>3,693,030</u>
<u>\$ 10,636</u>	<u>\$ 42,019</u>	<u>\$ 26,972</u>	<u>\$ 230,310</u>	<u>\$ 3,875,217</u>

AGENCY FUNDS

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 November 30, 2013

	<u>Circuit Clerk's Fund</u>	<u>County Clerk's Fund</u>	<u>Emergency Management Agency Funds</u>	<u>GIS Imprest Fund</u>
<u>Assets</u>				
Cash	\$ 422,893	\$ 93,256	\$ 115,284	\$ 980
Certificates of deposit	143,583	-	-	-
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 566,476</u>	<u>\$ 93,256</u>	<u>\$ 115,284</u>	<u>\$ 980</u>
<u>Liabilities</u>				
Due to others	\$ 566,476	93,256	115,284	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>980</u>
Total liabilities	<u>\$ 566,476</u>	<u>\$ 93,256</u>	<u>\$ 115,284</u>	<u>\$ 980</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
November 30, 2013**

<u>Coordinated Services Imprest Fund</u>	<u>Sheriff's Funds</u>	<u>State's Attorney Fund</u>	<u>Probation Fund</u>	<u>Township Motor Fuel Tax Fund</u>	<u>County Treasurer's Other Funds</u>	<u>Total</u>
\$ 2,351	\$ 183,109	\$ 443	\$ 723	\$ 454,160	\$ 350,175	\$ 1,623,374
-	-	-	-	-	-	143,583
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,150</u>	<u>12,422</u>	<u>104,572</u>
<u>\$ 2,351</u>	<u>\$ 183,109</u>	<u>\$ 443</u>	<u>\$ 723</u>	<u>\$ 546,310</u>	<u>\$ 362,597</u>	<u>\$ 1,871,529</u>
\$ -	\$ -	\$ -	\$ -	\$ 546,310	\$ 342,051	\$ 1,663,377
<u>2,351</u>	<u>183,109</u>	<u>443</u>	<u>723</u>	<u>-</u>	<u>20,546</u>	<u>208,152</u>
<u>\$ 2,351</u>	<u>\$ 183,109</u>	<u>\$ 443</u>	<u>\$ 723</u>	<u>\$ 546,310</u>	<u>\$ 362,597</u>	<u>\$ 1,871,529</u>

MONTGOMERY COUNTY, ILLINOIS

Circuit Clerk's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ 374,562	\$ 2,656,395	\$ 2,608,064	\$ 422,893
Certificates of deposit	<u>143,550</u>	<u>33</u>	<u>-</u>	<u>143,583</u>
Total assets	\$ <u>518,112</u>	\$ <u>2,656,428</u>	\$ <u>2,608,064</u>	\$ <u>566,476</u>
<u>Liabilities</u>				
Deposits payable and due to others	\$ <u>518,112</u>	\$ <u>2,656,428</u>	\$ <u>2,608,064</u>	\$ <u>566,476</u>
Total liabilities	\$ <u>518,112</u>	\$ <u>2,656,428</u>	\$ <u>2,608,064</u>	\$ <u>566,476</u>

MONTGOMERY COUNTY, ILLINOIS

County Clerk's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ <u>102,197</u>	\$ <u>1,167,266</u>	\$ <u>1,176,207</u>	\$ <u>93,256</u>
<u>Liabilities</u>				
Due to others	\$ <u>102,197</u>	\$ <u>1,167,266</u>	\$ <u>1,176,207</u>	\$ <u>93,256</u>

MONTGOMERY COUNTY, ILLINOIS

**Emergency Management Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013**

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
Revolving Fund - EMA:				
<u>Assets</u>				
Cash	\$ <u>1,600</u>	\$ <u>6,124</u>	\$ <u>6,335</u>	\$ <u>1,389</u>
<u>Liabilities</u>				
Due to other governmental agencies and others	\$ <u>1,600</u>	\$ <u>6,124</u>	\$ <u>6,335</u>	\$ <u>1,389</u>
Ambulance Fund:				
<u>Assets</u>				
Cash	\$ <u>116,405</u>	\$ <u>1,408,140</u>	\$ <u>1,410,650</u>	\$ <u>113,895</u>
<u>Liabilities</u>				
Due to other governmental agencies and others	\$ <u>116,405</u>	\$ <u>1,408,140</u>	\$ <u>1,410,650</u>	\$ <u>113,895</u>
Total Emergency Management Agency Funds:				
<u>Assets</u>				
Cash	\$ <u>118,005</u>	\$ <u>1,414,264</u>	\$ <u>1,416,985</u>	\$ <u>115,284</u>
<u>Liabilities</u>				
Due to other governmental agencies	\$ <u>118,005</u>	\$ <u>1,414,264</u>	\$ <u>1,416,985</u>	\$ <u>115,284</u>
Total liabilities	\$ <u>118,005</u>	\$ <u>1,414,264</u>	\$ <u>1,416,985</u>	\$ <u>115,284</u>

MONTGOMERY COUNTY, ILLINOIS

GIS Imprest Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ <u>-</u>	\$ <u>3,134</u>	\$ <u>2,154</u>	\$ <u>980</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>-</u>	\$ <u>3,134</u>	\$ <u>2,154</u>	\$ <u>980</u>

MONTGOMERY COUNTY, ILLINOIS

Coordinated Services Imprest Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ <u>-</u>	\$ <u>3,906</u>	\$ <u>1,555</u>	\$ <u>2,351</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>-</u>	\$ <u>3,906</u>	\$ <u>1,555</u>	\$ <u>2,351</u>

MONTGOMERY COUNTY, ILLINOIS

Sheriff's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ <u>154,385</u>	\$ <u>578,746</u>	\$ <u>550,022</u>	\$ <u>183,109</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>154,385</u>	\$ <u>578,746</u>	\$ <u>550,022</u>	\$ <u>183,109</u>

MONTGOMERY COUNTY, ILLINOIS

State's Attorney Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ <u>468</u>	\$ <u>764</u>	\$ <u>789</u>	\$ <u>443</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>468</u>	\$ <u>764</u>	\$ <u>789</u>	\$ <u>443</u>

MONTGOMERY COUNTY, ILLINOIS

Probation Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	Balance December 1, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2013</u>
<u>Assets</u>				
Cash	\$ <u>806</u>	\$ <u>783</u>	\$ <u>866</u>	\$ <u>723</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>806</u>	\$ <u>783</u>	\$ <u>866</u>	\$ <u>723</u>

MONTGOMERY COUNTY, ILLINOIS

Township Motor Fuel Tax Fund
 Statement of Changes in Assets and Liabilities
 Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
<u>Assets</u>				
Cash	\$ 334,073	\$ 1,576,999	\$ 1,456,912	\$ 454,160
Receivables	<u>105,864</u>	<u>-</u>	<u>13,714</u>	<u>92,150</u>
Total assets	<u>\$ 439,937</u>	<u>\$ 1,576,999</u>	<u>\$ 1,470,626</u>	<u>\$ 546,310</u>
<u>Liabilities</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other taxing units	<u>439,937</u>	<u>1,576,999</u>	<u>1,470,626</u>	<u>546,310</u>
Total liabilities	<u>\$ 439,937</u>	<u>\$ 1,576,999</u>	<u>\$ 1,470,626</u>	<u>\$ 546,310</u>

MONTGOMERY COUNTY, ILLINOIS

County Treasurer's Other Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
Clearing Accounts:				
<u>Assets</u>				
Cash	\$ 8,104	\$ 242,421	\$ 242,401	\$ 8,124
Receivable - State of Illinois	<u>12,250</u>	<u>172</u>	<u>-</u>	<u>12,422</u>
	<u>\$ 20,354</u>	<u>\$ 242,593</u>	<u>\$ 242,401</u>	<u>\$ 20,546</u>
 <u>Liabilities</u>				
Due to other funds	<u>\$ 20,354</u>	<u>\$ 242,593</u>	<u>\$ 242,401</u>	<u>\$ 20,546</u>
 Drainage District Funds:				
<u>Assets</u>				
Cash	<u>\$ 226,931</u>	<u>\$ 173,802</u>	<u>\$ 165,004</u>	<u>\$ 235,729</u>
 <u>Liabilities</u>				
Due to drainage districts	<u>\$ 226,931</u>	<u>\$ 173,802</u>	<u>\$ 165,004</u>	<u>\$ 235,729</u>
 Trustee Auction Escrow:				
<u>Assets</u>				
Cash	<u>\$ 9,837</u>	<u>\$ 11,822</u>	<u>\$ 20,849</u>	<u>\$ 810</u>
 <u>Liabilities</u>				
Due to others	<u>\$ 9,837</u>	<u>\$ 11,822</u>	<u>\$ 20,849</u>	<u>\$ 810</u>
 Condemnation Suits Fund:				
<u>Assets</u>				
Cash	<u>\$ 2,948</u>	<u>\$ 1</u>	<u>\$ 2,949</u>	<u>\$ -</u>
 <u>Liabilities</u>				
Due to others	<u>\$ 2,948</u>	<u>\$ 1</u>	<u>\$ 2,949</u>	<u>\$ -</u>

MONTGOMERY COUNTY, ILLINOIS

**County Treasurer's Other Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2013
(Continued)**

	<u>Balance December 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2013</u>
County Treasurer Escheats Fund:				
<u>Assets</u>				
Cash	\$ <u>33,456</u>	\$ <u>66,710</u>	\$ <u>-</u>	\$ <u>100,166</u>
<u>Liabilities</u>				
Due to others	\$ <u>33,456</u>	\$ <u>66,710</u>	\$ <u>-</u>	\$ <u>100,166</u>
Collector's Funds:				
<u>Assets</u>				
Cash	\$ <u>1,084</u>	\$ <u>34,847,756</u>	\$ <u>34,843,494</u>	\$ <u>5,346</u>
<u>Liabilities</u>				
Due to taxing bodies	\$ <u>1,084</u>	\$ <u>34,847,756</u>	\$ <u>34,843,494</u>	\$ <u>5,346</u>
Total County Treasurer's Funds:				
<u>Assets</u>				
Cash	\$ 282,360	\$ 35,342,512	\$ 35,274,697	\$ 350,175
Accounts receivable	<u>12,250</u>	<u>172</u>	<u>-</u>	<u>12,422</u>
Total assets	\$ <u>294,610</u>	\$ <u>35,342,684</u>	\$ <u>35,274,697</u>	\$ <u>362,597</u>
<u>Liabilities</u>				
Due to taxing bodies	\$ 1,084	\$ 34,847,756	\$ 34,843,494	\$ 5,346
Due to drainage districts	226,931	173,802	165,004	235,729
Due to others	46,241	78,533	23,798	100,976
Due to other governmental agencies	-	-	-	-
Due to other funds	<u>20,354</u>	<u>242,593</u>	<u>242,401</u>	<u>20,546</u>
Total liabilities	\$ <u>294,610</u>	\$ <u>35,342,684</u>	\$ <u>35,274,697</u>	\$ <u>362,597</u>

SINGLE AUDIT SECTION

PATTON & COMPANY, P.C.

Certified Public Accountants

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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 FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Members of Montgomery County Board
Hillsboro, Illinois:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of and for the year ended November 30, 2013, and the related notes to the financial statements, which collectively comprise the Montgomery County, Illinois, financial statements and have issued our report thereon dated March 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery County, Illinois', internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Montgomery County, Illinois', internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery County, Illinois', internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County, Illinois', financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patton Company, P.C.

March 28, 2014

Hillsboro, Illinois

PATTON & COMPANY, P.C.

Certified Public Accountants

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Kyle L. Putnam

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Members of Montgomery County Board
Hillsboro, Illinois:

Report on Compliance for Each Major Federal Program

We have audited Montgomery County, Illinois' compliance, with the types of compliance requirements described in OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Montgomery County, Illinois', major federal programs for the year ended November 30, 2013. Montgomery County, Illinois', 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 Montgomery County, Illinois', 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 Montgomery County, Illinois', 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 Montgomery County, Illinois', compliance.

Opinion on Each Major Federal Program

In our opinion, Montgomery County, Illinois, 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 November 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-1. Our opinion on each major federal program is not modified with respect to these matters.

Montgomery County, Illinois' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Montgomery County, Illinois' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Montgomery County, Illinois, 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 Montgomery County, Illinois', 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 an 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 Montgomery County, Illinois', 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 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-1, that we consider to be significant deficiencies.

Montgomery County, Illinois', response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Montgomery County, Illinois', response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Patton Company, P.C.
Hillsboro, Illinois
March 28, 2014

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Major Programs:				
U.S. Department of Agriculture				
Illinois Department of Human Services				
Special Supplemental Nutrition Program for				
Women, Infants, and Children				
	10.557	FCSRE01187	7/1/12-6/30/13	\$ 16,000
	10.557	FCSRE00836	7/1/12-6/30/13	80,730
	10.557	FCSRE00836	7/1/12-6/30/13	357,006
	10.557	FCSSQ00836	7/1/13-6/30/14	26,642
	10.557	FCSSQ01187	7/1/13-6/30/14	<u>3,942</u>
Total major programs				<u>\$ 484,320</u>
Nonmajor Programs:				
U.S. Department of Health and Human Services				
Illinois Department of Human Services				
Prevention and Treatment of Substance				
Abuse Block Grant				
	93.959	43CRC00283	7/1/12-6/30/13	\$ 30,073
	93.959	FCSRE01386	7/1/12-6/30/13	37,948
	93.959	FCSSP01386	7/1/13-6/30/14	26,694
	93.959	43CSC00082	7/1/13-6/30/14	<u>21,856</u>
				<u>\$ 116,571</u>
U.S. Department of Health and Human Services				
Illinois Department of Human Services				
Social Services Block Grant				
	93.667	FCSSUO3027	7/1/13-6/30/14	<u>\$ 4,000</u>
Environmental Protection Agency				
Illinois Department of Public Health				
Expense Implement Federal Award				
	66.605		7/1/12-6/30/13	<u>\$ 250</u>
U.S. Department of Health and Human Services				
Illinois Department of Public Health				
Centers for Disease Control and Prevention -				
Investigations and Technical Assistance-				
Breast and Cervical Cancer Screening				
Program				
	93.283	36180024A	7/1/12-6/30/13	\$ 164,718
	93.283	46180023B	7/1/12-6/30/13	<u>98,519</u>
				<u>\$ 263,237</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Nonmajor Programs, continued				
U.S. Department of Health and Human Services Illinois Department of Public Health Centers for Disease Control and Prevention - Public Health Emergency Preparedness- Bioterrorism Preparedness	93.074	37180065A 47180065B		\$ 41,396 <u>5,840</u> \$ <u>47,236</u>
U.S. Department of Health and Human Services Illinois Department of Public Health Emergency Preparedness	93.069	27180065		\$ <u>15,806</u>
U.S. Department of Health and Human Services Title III B, Title III E Grants for Supportive Services and Senior Citizens	93.044 93.044	1A02-13 AA02-13	11/1/12 - 10/31/13 10/1/12 - 09/30/13	\$ 4,186 <u>3,208</u> \$ <u>7,394</u>
Title VII Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	MT02-13	10/1/12 - 09/30/13	\$ <u>2,750</u>
U.S. Department of Health and Human Services Illinois Department of Human Services Child Support Enforcement	93.563		07/1/11 - 06/30/12	\$ <u>3,703</u>
U.S. Department of Health and Human Services Illinois Department of Human Services Community of Mental Health Services Block Grant	93.958	45CRB00194	07/1/12 - 06/30/13	\$ <u>10,705</u>
U.S. Department of Agriculture Illinois Department of Public Health Expense Implement Federal Award	10.559			\$ <u>325</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Nonmajor Programs, continued				
U.S. Department of Health and Human Services Illinois Department of Public Health Centers for Disease Control and Prevention- Early Detection Program- Breast and Cervical Cancer Screening Program	93.774	36180024A		\$ <u>39,401</u>
U.S. Department of Homeland Security Illinois Emergency Management Agency Emergency Management Performance Grants	97.042		10/01/12 - 09/30/13	\$ <u>20,638</u>
Department of Justice Bureau of Justice Assistance Drug Court Discretionary Grant Program	16.585		10/01/10 - 09/30/14	\$ <u>105,000</u>
Total nonmajor programs				\$ <u>637,016</u>
Total federal expenditures				\$ <u>1,121,336</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

Schedule of Findings and Questioned Costs
Year Ended November 30, 2013

Section I - Summary of Auditor's Results

November 30, 2013, Financial Statements

- (1) Type of Auditor's Report issued: Unqualified
- (2) Internal control over financial reporting:
- Material weakness(es) identified? Yes No
 - Reportable condition(s) identified that are not considered to be material weaknesses? Yes None reported
- (3) Noncompliance material to financial statements noted Yes No
- (4) Federal Awards
- Internal control over major programs:
- Material weakness(es) identified? Yes No
 - Reportable condition(s) identified that are not considered to be material weaknesses? Yes No
- (5) Type of Auditor's Report issued on compliance for major programs: Unqualified
- (6) Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 Yes No
- (7) Identification of major programs:
- | | CFDA
Number(s) | Name of Federal Program or Cluster |
|--|-------------------|--|
| | 10.557 | Special Supplemental Nutrition Program for Women, Infants and Children |
- (8) Dollar threshold used to distinguish between type A and type B programs: \$300,000
- (9) Auditee qualified as low-risk auditee? Yes No

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2013**

Section II - Financial Statements Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2013-1

Criteria: WIC Certification sheets must be signed by the client (or parent/guardian) and include the necessary information to verify they meet the state guidelines.

Condition: After testing 5 percent of the applicants, or 36 out of 742 participants, we noted that 2 of the applicants (siblings) did not have the required information listed on the WIC Certification sheet.

Questioned Costs: The total amount of service provided to the two applicants only amounted to \$32. This amount is non-material.

Context: We reviewed 5 percent of the applicants information. Because of no prior findings, we felt 5 percent represented a fair presentation. We noted two certification sheets that failed to list the economic unit, proof of income, and household income amount.

Effect: The County failed to provide proof the applicants qualified for the WIC program.

Recommendation: To review certifications in full before authorizing eligibility for the WIC program.

Management's Response: Management has agreed to review the certifications more thoroughly.

Section N - Prior Audit Findings

No matters were reported.

MONTGOMERY COUNTY, ILLINOIS

**Notes to Schedule of Expenditures of Federal Awards
Year Ended November 30, 2013**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Montgomery County, Illinois, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note 2 - Insurance

The County had no federal insurance coverage outstanding at year end.

Note 3 - Loan or Loan Guarantees

The County had no loan or loan guarantees outstanding at year end.

Note 4 - Payments to Subrecipients

No amounts were provided to subrecipients for the year ended November 30, 2013.