

MONTGOMERY COUNTY, ILLINOIS

FINANCIAL STATEMENTS

November 30, 2016

MONTGOMERY COUNTY, ILLINOIS

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Independent Auditors' Report

Montgomery County Board
Montgomery County, Illinois

Report on the Financial Statements

We have audited the accompanying cash basis 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, 2016, and the related notes to the financial statements, which collectively comprise the Montgomery County, Illinois' 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditors' 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 auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of November 30, 2016, and the respective changes in cash basis financial position, thereof, for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

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 budgetary comparison schedules and combining and individual fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relates 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 and individual fund financial statements are fairly stated in all material respects in relation to basic financial statements as a whole.

The budgetary comparison schedules have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2017 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.

Kerber, Eck & Braedke LLP

Litchfield, Illinois
May 9, 2017

MONTGOMERY COUNTY, ILLINOIS

STATEMENT OF NET POSITION - CASH BASIS

November 30, 2016

	<u>Governmental activities</u>
ASSETS	
Cash	\$ 15,085,650
Notes receivable	<u>89,247</u>
Total assets	<u><u>\$ 15,174,897</u></u>
NET POSITION	
Restricted for:	
Employee benefits	\$ 1,163,285
Property and liability insurance	672,067
Public health	956,449
Transportation	3,363,411
Public safety	68,172
Judiciary	1,619,475
Unrestricted	<u>7,332,038</u>
Total net position	<u><u>\$ 15,174,897</u></u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES - CASH BASIS

Year ended November 30, 2016

Function/Program	Expenses	Program revenues			Net (expense) revenue and change in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Total governmental activities
Governmental activities					
General government	\$ 5,271,727	\$ 716,394	\$ 99,187	\$ -	\$ (4,456,146)
Judiciary and court-related	1,572,525	1,271,505	520,965	-	219,945
Public safety	2,715,617	861,448	15,011	-	(1,839,158)
Health and welfare	2,618,376	128,613	1,824,133	-	(665,630)
Transportation	2,261,477	-	19,961	-	(2,241,516)
Total governmental activities	<u>\$ 14,439,722</u>	<u>\$ 2,977,960</u>	<u>\$ 2,479,257</u>	<u>\$ -</u>	<u>(8,982,505)</u>
General revenues					
Taxes					
Property					4,693,634
Sales					1,670,317
Income and replacement					1,005,889
Real estate transfer					114,115
Motor fuel					789,544
Video gaming					2,649
Investment income					87,744
Other					280,629
Coal royalties					72,282
Total general revenues					<u>8,716,803</u>
CHANGE IN NET POSITION					(265,702)
Net position at December 1, 2015, as restated					<u>15,440,599</u>
Net position at November 30, 2016					<u>\$ 15,174,897</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

BALANCE SHEET - CASH BASIS - GOVERNMENTAL FUNDS

November 30, 2016

	General Fund	Public Health Fund	Coal Royalties Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,025,077	\$ 609,587	\$ 5,558,127	\$ 7,892,859	\$ 15,085,650
Notes receivable	89,247	-	-	-	89,247
Due from other funds	-	-	50,000	-	50,000
Total assets	\$ 1,114,324	\$ 609,587	\$ 5,608,127	\$ 7,892,859	\$ 15,224,897
LIABILITIES					
Due to other funds	-	-	-	50,000	50,000
FUND BALANCES					
Nonspendable	89,247	-	-	-	89,247
Restricted	-	-	-	7,842,859	7,842,859
Committed	143,332	-	5,608,127	-	5,751,459
Assigned	48,213	609,587	-	-	657,800
Unassigned	833,532	-	-	-	833,532
Total fund balances	1,114,324	609,587	5,608,127	7,842,859	15,174,897
Total liabilities and fund balances	\$ 1,114,324	\$ 609,587	\$ 5,608,127	\$ 7,892,859	\$ 15,224,897

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	General Fund	Public Health Fund	Coal Royalties Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 3,539,286	\$ 539,953	\$ -	\$ 4,193,569	\$ 8,272,808
Intergovernmental	1,326,233	1,317,444	-	29,136	2,672,813
Fines and fees	1,621,564	-	-	-	1,621,564
Interest	5,059	2,288	52,411	27,986	87,744
Miscellaneous	224,004	11,013	72,282	479,848	787,147
Licenses and fees	83,221	-	-	-	83,221
Charges for services	-	356,157	-	777,119	1,133,276
Total revenues	<u>6,799,367</u>	<u>2,226,855</u>	<u>124,693</u>	<u>5,507,658</u>	<u>14,658,573</u>
Expenditures					
Current					
General government	3,730,424	-	-	1,875,714	5,606,138
Public safety	2,519,017	-	-	333,394	2,852,411
Health and welfare	-	2,219,962	-	113,769	2,333,731
Transportation	-	-	-	2,261,477	2,261,477
Judiciary and court related	1,288,831	-	-	269,831	1,558,662
Capital outlay	57,041	5,500	174,353	91,416	328,310
Total expenditures	<u>7,595,313</u>	<u>2,225,462</u>	<u>174,353</u>	<u>4,945,601</u>	<u>14,940,729</u>
Revenues over (under) expenditures	(795,946)	1,393	(49,660)	562,057	(282,156)
Other financing sources (uses)					
Transfers in	863,386	43,187	-	392,281	1,298,854
Transfers out	(2,037)	-	(815,000)	(481,817)	(1,298,854)
Proceeds from sale of assets	-	-	-	16,454	16,454
Total other financing sources (uses)	<u>861,349</u>	<u>43,187</u>	<u>(815,000)</u>	<u>(73,082)</u>	<u>16,454</u>
NET CHANGE IN FUND BALANCE	65,403	44,580	(864,660)	488,975	(265,702)
Fund balances at December 1, 2015, as restated	<u>1,048,921</u>	<u>565,007</u>	<u>6,472,787</u>	<u>7,353,884</u>	<u>15,440,599</u>
Fund balances at November 30, 2016	<u>\$ 1,114,324</u>	<u>\$ 609,587</u>	<u>\$ 5,608,127</u>	<u>\$ 7,842,859</u>	<u>\$ 15,174,897</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS - AGENCY FUNDS November 30, 2016

ASSETS

Cash and temporary investments	<u>\$ 2,032,769</u>
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LIABILITIES

Due to others	<u>\$ 2,032,769</u>
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See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Montgomery County (the County) was established in 1821. The County is governed by a board consisting of 21 persons, three elected from each of the seven districts. Board members are elected to four year terms. 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.

These financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity

The financial reporting entity must include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, there are no component units which are required to be included in the accompanying financial statements.

The County's board members are responsible for appointing members of the boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. The County Board appoints board members to the following: 9-1-1, Public Building Commission, Montgomery County Housing, 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.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County has no business-type activities.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

The County does not allocate indirect costs. Program revenues include charges paid by the recipients of goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The funds of the financial reporting entity are described below:

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.

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 FINANCIAL STATEMENTS

Fiduciary Funds

Agency Funds

These funds account for assets that the County holds in a fiduciary capacity or as an agent for individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for the operations of the County Treasurer and County Clerk and other agency operations.

Basis of accounting

The financial statements are prepared using a cash basis of accounting. This basis of accounting recognizes assets, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchase of investments and loans granted by the Revolving Loan Fund are recorded as assets. Interfund loans are also reported as assets and liabilities. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable and compensated absences) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

Cash and Investments

The County Treasurer maintains a cash and investment pool that is available for use by all funds, except certain restricted special revenue and agency funds. Interest income earned is allocated to the contributing funds based on each fund's proportionate share of funds invested on a monthly basis. Investments, if any, are carried at fair value.

Interfund Activity

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

Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are reported as a reduction of expenditures/expenses.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity has been eliminated in the government-wide financial statements.

Net Position

In the government-wide financial statements, equity is classified as net position. Net position is reported as restricted when there are constraints imposed on its use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. The County first utilizes restricted resources to finance qualifying activities.

Fund Balances – Governmental Funds

In the governmental fund financial statements, equity is classified as fund balance. Governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources or by constitutional provision or enabling legislations.

Committed – includes amounts that can only be used for specific purposes determined by an ordinance of the County Board. Commitments may be modified or rescinded only through resolutions approved by the Board.

Assigned – includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can be expressed by the County Board or by an official or body to which the County Board delegates the authority.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The details of the fund balances are included in the Governmental Funds Balance Sheet.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Property Taxes

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. The assessed valuation for the calendar year 2015 was \$421,498,101.

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 days after the second installment due date. 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.

The tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2015 for purposes of local taxation was as follows:

General Corporate	\$0.20250
I.M.R.F.	0.26217
County Highway	0.10000
Bridges	0.05000
Tuberculosis	0.02155
Federal Aid Matching	0.05000
Public Health	0.10000
Liability Insurance	0.12117
Social Security	0.14473
Veteran's Assistance	0.01889
Senior Citizens	0.02500
	<hr/>
Total	<u>\$ 1.09601</u>

NOTE 2 - CASH

At November 30, 2016 the County's deposits were fully insured by federal depository insurance or collateralized with securities held in the County's name.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - 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 4 - INTERFUND BALANCES AND TRANSFERS

The Coal Royalties Fund loaned \$50,000 to Emergency Telephone System Fund. The balance is expected to be repaid within one year.

Fund transfers for the year ended November 30, 2016 are as follows:

Transfers in	Transfers out			Total
	General Fund	Coal Royalties Fund	Nonmajor Funds	
General Fund	\$ -	\$ 815,000	\$ 48,386	\$ 863,386
Public Health Fund	-	-	43,187	43,187
Nonmajor Funds	2,037	-	390,244	392,281
	<u>\$ 2,037</u>	<u>\$ 815,000</u>	<u>\$ 481,817</u>	<u>\$ 1,298,854</u>

Transfers are made from the Coal Royalties Fund to the General Fund annually to finance general County operations in accordance with a County resolution. The Tuberculosis Fund (nonmajor fund) was closed during the year and the fund balance was transferred to the Public Health Fund. The County Court Fund (nonmajor fund) transferred excess funds to the General Fund for operations. Transfers are also used to move revenues from the fund that State statute or the budget requires to collect them to the fund that State statute or budget requires them to be expended.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PENSION PLAN

Plan Description

The County's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided below. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. The Elected County Official (ECO) plan is for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Contributions

As set by statute, the County's RP members are required to contribute 4.5% of their annual covered salary and SLEP and ECO members are required to contribute 7.5%. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's actuarially determined contribution rates for calendar year 2016 were 11.89% for regular members, 15.64% for SLEP, and 53.30% for ECO. For the year ended November 30, 2016, contributions to the regular plan, SLEP plan and ECO plans were \$654,884, \$139,303 and \$83,126, respectively. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - FUND BALANCES

Amounts for specific purposes by fund balance classifications for the year ended November 30, 2016, are as follows:

	General Fund	Other Major Funds	Nonmajor Governmental Funds	Total
Nonspendable				
Notes receivable	\$ 89,247	\$ -	\$ -	\$ 89,247
Restricted				
Infrastructure repairs and improvements	-	-	3,363,411	3,363,411
Health	-	-	956,449	956,449
Public safety	-	-	68,172	68,172
Court related matters	-	-	1,619,475	1,619,475
Insurance	-	-	672,067	672,067
Employee benefits	-	-	1,163,285	1,163,285
	<u>-</u>	<u>-</u>	<u>7,842,859</u>	<u>7,842,859</u>
Committed				
Future capital outlay projects	-	5,608,127	-	5,608,127
Revolving loans	143,332	-	-	143,332
	<u>143,332</u>	<u>5,608,127</u>	<u>-</u>	<u>5,751,459</u>
Assigned				
Health	-	609,587	-	609,587
Insurance	31,976	-	-	31,976
Public safety	13,770	-	-	13,770
Court related matters	1,253	-	-	1,253
Other	1,214	-	-	1,214
	<u>48,213</u>	<u>609,587</u>	<u>-</u>	<u>657,800</u>
Unassigned				
General government	833,532	-	-	833,532
	<u>\$ 1,114,324</u>	<u>\$ 6,217,714</u>	<u>\$ 7,842,859</u>	<u>\$ 15,174,897</u>

NOTE 7 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; 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.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

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.

The County pays all elected officials' bond by statute.

NOTE 8 - EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended November 30, 2016, expenditures exceeded legally adopted budgets as follows:

Fund	Department	Expenditures in excess of budget
General Fund	Building and Grounds	\$ 12,903
General Fund	County Clerk	4,550
General Fund	Coroner	7,266
General Fund	Regional Superintendent of Schools	3
General Fund	Information System	15,714
General Fund	Election	13,853
General Fund	Economic and Infrastructure Development	145
General Fund	Circuit Clerk's Office	13,267
General Fund	Public Defender	7
General Fund	Court Appointed	406
General Fund	Emergency Services	25,619
General Fund	Ambulance	9,878
IMRF	-----	9,688
Coal Royalties	-----	36,353
County Motor Fuel	-----	51,456
States Attorney Drug Asset Forfeiture	-----	1,300
Senior Citizens	-----	584
Montgomery County Drug Fund	-----	319
Law Library	-----	660
County Employee Insurance	-----	105,765
Electronic Citation	-----	7,220
Drug Test/EM Fees	-----	711

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - CHANGE IN BASIS OF ACCOUNTING

Montgomery County previously prepared its financial statements using accounting principles generally accepted in the United States of America. In 2016, Montgomery County adopted the cash basis of accounting. The beginning fund balances and net position have been restated to conform to the new basis of accounting.

	Governmental Funds				
	Major Funds				
	General Fund	Public Health Fund	Coal Royalties Fund	Nonmajor Funds	Governmental Activities
As previously reported	\$ 1,680,147	\$ 593,954	\$ 6,480,454	\$ 7,047,526	\$ 28,661,548
Change in basis of accounting	<u>(631,226)</u>	<u>(28,947)</u>	<u>(7,667)</u>	<u>306,358</u>	<u>(13,220,949)</u>
As restated	<u>\$ 1,048,921</u>	<u>\$ 565,007</u>	<u>\$ 6,472,787</u>	<u>\$ 7,353,884</u>	<u>\$ 15,440,599</u>

NOTE 10 - GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) recently issued Statement 77, Tax Abatement Disclosures requiring disclosure of the reporting government's own tax abatement agreements, and those that are entered into by other governments, that reduce the reporting government's tax revenues. The statement is effective for reporting periods ending on or after December 15, 2016.

NOTE 11 - CONTINGENCIES

The County has pending in Federal court a suit by a former inmate against the Sheriff's Office. The case is still in the discovery, deposition phase. The suit seeks \$300,000 in damages.

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Taxes				
Sales	\$ 1,580,000	\$ 1,580,000	\$ 1,441,915	\$ (138,085)
Income	760,000	760,000	770,115	10,115
Replacement	60,000	60,000	56,204	(3,796)
Property	1,083,350	1,083,350	1,154,288	70,938
Real estate transfers	125,000	125,000	114,115	(10,885)
Video gaming	3,700	3,700	2,649	(1,051)
Total taxes	<u>3,612,050</u>	<u>3,612,050</u>	<u>3,539,286</u>	<u>(72,764)</u>
Interest, costs and penalties- net	4,100	4,100	3,466	(634)
Fines and fees				
Geographic Information System	93,000	93,000	97,543	4,543
County Clerk	150,000	150,000	159,098	9,098
Supervisor of Assessments	10,000	10,000	-	(10,000)
Coroner	5,500	5,500	-	(5,500)
State's Attorney	520,000	520,000	567,785	47,785
Circuit Clerk	295,000	295,000	324,231	29,231
Public Defender	15,000	15,000	6,213	(8,787)
Sheriff	318,295	318,295	326,175	7,880
Host	70,000	70,000	64,223	(5,777)
Recycling	104,000	104,000	76,296	(27,704)
Total fines and fees	<u>1,580,795</u>	<u>1,580,795</u>	<u>1,621,564</u>	<u>40,769</u>
Licenses and fees				
Liquor and gaming	3,075	3,075	3,075	-
Animal control	121,650	121,650	80,146	(41,504)
Total licenses and fees	<u>124,725</u>	<u>124,725</u>	<u>83,221</u>	<u>(41,504)</u>
Other revenues				
Miscellaneous revenues, refunds and reimbursements from other departments	45,080	45,080	86,746	41,666
Indemnity	8,000	8,000	9,100	1,100
Tax sale automation	3,000	3,000	-	(3,000)
Total other revenues	<u>56,080</u>	<u>56,080</u>	<u>95,846</u>	<u>39,766</u>

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED Year ended November 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Reimbursed Expenditures				
Help Americans Vote Act	\$ 6,111	\$ 6,111	\$ 3,000	\$ (3,111)
Sheriff reimbursements	10,500	10,500	6,848	(3,652)
Supervisor of Assessments	29,089	30,089	41,689	11,600
Election judges	12,240	-	5,535	5,535
State's Attorney, assistants and violent crime	163,352	163,352	221,991	58,639
Probation	189,187	231,692	172,939	(58,753)
EMA	21,144	21,144	12,046	(9,098)
Ambulance	75,538	75,538	56,050	(19,488)
Public defender	99,905	99,905	133,193	33,288
Safety grants	39,784	39,784	39,788	4
Total reimbursed expenditures	<u>646,850</u>	<u>678,115</u>	<u>693,079</u>	<u>14,964</u>
Total revenues	6,024,600	6,055,865	6,036,462	(19,403)
Expenditures				
General Government				
Building and Grounds				
Salaries	57,719	57,719	79,530	(21,811)
Other	284,250	241,300	232,392	8,908
Total building and grounds	<u>341,969</u>	<u>299,019</u>	<u>311,922</u>	<u>(12,903)</u>
County Clerk				
Salaries	210,480	192,280	196,676	(4,396)
Other	10,000	9,850	10,004	(154)
Total County Clerk	<u>220,480</u>	<u>202,130</u>	<u>206,680</u>	<u>(4,550)</u>
Treasurer				
Salaries	193,856	193,856	192,688	1,168
Other	13,300	13,300	13,156	144
Total Treasurer	<u>207,156</u>	<u>207,156</u>	<u>205,844</u>	<u>1,312</u>
Coroner				
Salaries	38,647	38,647	39,047	(400)
Other	70,700	68,400	75,266	(6,866)
Total Coroner	<u>109,347</u>	<u>107,047</u>	<u>114,313</u>	<u>(7,266)</u>
Regional Superintendent of Schools				
Salaries	34,233	34,233	34,233	-
Other	16,383	16,383	16,386	(3)
Total Regional Superintendent of Schools	<u>50,616</u>	<u>50,616</u>	<u>50,619</u>	<u>(3)</u>

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED Year ended November 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Supervisor of Assessments				
Salaries	\$ 202,489	\$ 202,489	\$ 210,356	\$ (7,867)
Other	24,900	60,650	49,279	11,371
Total Supervisor of Assessments	<u>227,389</u>	<u>263,139</u>	<u>259,635</u>	<u>3,504</u>
Board of Review				
Salaries	26,394	25,394	23,194	2,200
Other	6,510	4,760	444	4,316
Total Board of Review	<u>32,904</u>	<u>30,154</u>	<u>23,638</u>	<u>6,516</u>
County Board Office				
Salary - County Board Chairman	7,500	6,000	6,000	-
Other	93,550	89,750	78,985	10,765
Total County Board Office	<u>101,050</u>	<u>95,750</u>	<u>84,985</u>	<u>10,765</u>
Information System				
Salaries	104,449	104,449	121,816	(17,367)
Other	36,550	34,250	32,597	1,653
Total Information System	<u>140,999</u>	<u>138,699</u>	<u>154,413</u>	<u>(15,714)</u>
Election				
Salaries	12,100	12,100	13,355	(1,255)
Other	109,900	109,900	122,498	(12,598)
Total Election	<u>122,000</u>	<u>122,000</u>	<u>135,853</u>	<u>(13,853)</u>
Economic and Infrastructure Development				
Trail maintenance	30,980	30,680	30,825	(145)
Total Economic and Infrastructure Development	<u>30,980</u>	<u>30,680</u>	<u>30,825</u>	<u>(145)</u>
General Administrative				
Other	973,400	972,100	843,318	128,782
Fayco Grant	34,000	34,000	34,000	-
Total General Administrative	<u>1,007,400</u>	<u>1,006,100</u>	<u>877,318</u>	<u>128,782</u>
Geographic Information System				
Salaries	32,546	32,546	32,546	-
Other	23,170	23,170	13,767	9,403
County fly over	23,567	23,567	23,566	1
Capital outlay	2,500	2,500	7,783	(5,283)
Total Geographic Information System	<u>81,783</u>	<u>81,783</u>	<u>77,662</u>	<u>4,121</u>

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED Year ended November 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Coordinated Services				
Salaries	\$ 70,847	\$ 70,847	\$ 64,235	\$ 6,612
Other	6,450	5,650	3,541	2,109
Total Coordinated Services	<u>77,297</u>	<u>76,497</u>	<u>67,776</u>	<u>8,721</u>
Solid Waste				
Salaries	40,788	40,788	41,572	(784)
Other	4,050	3,300	2,410	890
Total Solid Waste	<u>44,838</u>	<u>44,088</u>	<u>43,982</u>	<u>106</u>
Recycling				
Salaries	147,373	147,373	143,085	4,288
Other	52,150	52,150	50,947	1,203
Total Recycling	<u>199,523</u>	<u>199,523</u>	<u>194,032</u>	<u>5,491</u>
Total General Government	<u>2,995,731</u>	<u>2,954,381</u>	<u>2,839,497</u>	<u>114,884</u>
Judiciary and Court-Related				
Montgomery County Judge's Office				
Judge's Office	4,000	4,000	2,671	1,329
Total Montgomery County Judge's Office	<u>4,000</u>	<u>4,000</u>	<u>2,671</u>	<u>1,329</u>
State's Attorney Office				
Salaries	347,497	363,172	363,793	(621)
Other	48,425	29,150	19,946	9,204
Total State's Attorney Office	<u>395,922</u>	<u>392,322</u>	<u>383,739</u>	<u>8,583</u>
Circuit Clerk's Office				
Salaries	248,583	248,583	260,266	(11,683)
Other	10,550	9,000	10,584	(1,584)
Total Circuit Clerk's Office	<u>259,133</u>	<u>257,583</u>	<u>270,850</u>	<u>(13,267)</u>
Probation Office				
Salaries	106,852	286,645	279,001	7,644
Other	219,418	36,225	39,295	(3,070)
Total Probation Office	<u>326,270</u>	<u>322,870</u>	<u>318,296</u>	<u>4,574</u>

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Public Defender				
Salaries	\$ 171,429	\$ 171,429	\$ 171,429	\$ -
Other	5,325	4,575	4,582	(7)
Total Public Defender	<u>176,754</u>	<u>176,004</u>	<u>176,011</u>	<u>(7)</u>
Jury and Jurors				
Other	19,250	19,250	6,007	13,243
Total Jury and Jurors	<u>19,250</u>	<u>19,250</u>	<u>6,007</u>	<u>13,243</u>
Court Appointed				
Other	129,000	129,000	129,406	(406)
Total Court Appointed	<u>129,000</u>	<u>129,000</u>	<u>129,406</u>	<u>(406)</u>
Total Judiciary and Court-Related	<u>1,310,329</u>	<u>1,301,029</u>	<u>1,286,980</u>	<u>14,049</u>
Public Safety				
Sheriff				
Salaries	1,843,402	1,843,402	1,870,359	(26,957)
Other	485,447	399,400	276,403	122,997
Capital outlay	77,500	70,000	57,891	12,109
Total Sheriff	<u>2,406,349</u>	<u>2,312,802</u>	<u>2,204,653</u>	<u>108,149</u>
Emergency Services				
Salaries	51,617	51,617	53,668	(2,051)
Other	9,917	8,417	35,868	(27,451)
Total Emergency Services	<u>61,534</u>	<u>60,034</u>	<u>89,536</u>	<u>(29,502)</u>
Ambulance				
Salaries	49,943	49,943	65,576	(15,633)
Other	14,525	14,525	8,770	5,755
Total Ambulance	<u>64,468</u>	<u>64,468</u>	<u>74,346</u>	<u>(9,878)</u>
Animal Control				
Salaries	67,654	67,654	68,346	(692)
Other	35,100	32,100	24,841	7,259
Total Animal Control	<u>102,754</u>	<u>99,754</u>	<u>93,187</u>	<u>6,567</u>
Total Public Safety	<u>2,635,105</u>	<u>2,537,058</u>	<u>2,461,722</u>	<u>75,336</u>

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Favorable (Unfavorable)
Total expenditures	\$ 6,941,165	\$ 6,792,468	\$ 6,588,199	\$ 204,269
Excess (deficiency) of revenues over expenditures	(916,565)	(736,603)	(551,737)	184,866
Other financing sources (uses)				
Transfers in	1,040,000	1,040,000	963,500	(76,500)
Transfers out	-	-	(2,037)	(2,037)
Total other financing sources (uses)	<u>1,040,000</u>	<u>1,040,000</u>	<u>961,463</u>	<u>(78,537)</u>
Net change in fund balance	<u>\$ 123,435</u>	<u>\$ 303,397</u>	409,726	<u>\$ 106,329</u>
Fund balance at December 1, 2015, as restated			<u>423,806</u>	
Fund balance at November 30, 2016			<u>\$ 833,532</u>	
Budgetary basis fund balance			\$ 833,532	
Adjustments to reconcile the cash basis and budgetary basis statements:				
Other funds combined with General Fund for GAAP reporting				
Revolving Loan Fund			232,579	
Employees Insurance Fund			31,976	
Sheriff's Funds			13,770	
Probation Fund			853	
State's Attorney Fund			400	
Coordinated Services Fund			714	
Treasurer's Computer Fund			<u>500</u>	
Cash basis fund balance			<u>\$ 1,114,324</u>	

See notes to supplementary information.

MONTGOMERY COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
PUBLIC HEALTH FUND - UNAUDITED
Year Ended November 30, 2016**

	Original and Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Revenues			
Replacement taxes	\$ 30,000	\$ 27,826	\$ (2,174)
Property taxes	428,000	512,127	84,127
Intergovernmental	1,892,840	1,317,444	(575,396)
Fees	178,500	356,157	177,657
Interest	2,500	2,288	(212)
Miscellaneous	3,500	11,013	7,513
Total revenues	<u>2,535,340</u>	<u>2,226,855</u>	<u>(308,485)</u>
Expenditures			
Current			
Health and welfare	2,522,193	2,219,962	302,231
Capital outlay	11,000	5,500	5,500
Total expenditures	<u>2,533,193</u>	<u>2,225,462</u>	<u>307,731</u>
Revenues over (under) expenditures	2,147	1,393	(754)
Other financing sources			
Transfers in	-	43,187	43,187
Net change in fund balance	<u>\$ 2,147</u>	44,580	<u>\$ 42,433</u>
Fund balance at December 1, 2015, as restated		<u>565,007</u>	
Fund balance at November 30, 2016		<u>\$ 609,587</u>	

See notes to supplementary information.

MONTGOMERY COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
COAL ROYALTIES FUND - UNAUDITED
Year Ended November 30, 2016**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Coal royalties	\$ 1,680,000	\$ 50,000	\$ 72,282	\$ 22,282
Interest	24,500	10,000	52,411	42,411
Total revenues	1,704,500	60,000	124,693	64,693
Expenditures				
Current				
General government	200,000	115,000	-	115,000
Capital outlay	300,000	23,000	174,353	(151,353)
Total expenditures	500,000	138,000	174,353	(36,353)
Revenues over (under) expenditures	1,204,500	(78,000)	(49,660)	28,340
Other financing uses				
Transfers out	(1,000,000)	(1,000,000)	(815,000)	185,000
Net change in fund balance	<u>\$ 204,500</u>	<u>\$ (1,078,000)</u>	(864,660)	<u>\$ 213,340</u>
Fund balance at December 1, 2015, as restated			<u>6,472,787</u>	
Fund balance at November 30, 2016			<u>\$ 5,608,127</u>	

See notes to supplementary information.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO BUDGETARY COMPARISION SCHEDULES

NOTE 1 - BUDGETARY INFORMATION

All funds, except agency funds, require legally adopted budgets. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

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

The County prepares its budget on the cash basis of accounting.

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - GENERAL FUND

November 30, 2016

	General Fund	Revolving Loan Fund	Employees Insurance Fund	Sheriff's Funds	Probation Fund	State's Attorney Fund	GIS Imprest Fund	Coordinated Services Imprest Fund	Treasurer's Computer Fund	Total General Fund
ASSETS										
Cash	\$ 833,532	\$ 143,332	\$ 31,976	\$ 13,770	\$ 853	\$ 400	\$ -	\$ 714	\$ 500	\$ 1,025,077
Notes receivables	-	89,247	-	-	-	-	-	-	-	89,247
Total assets	<u>\$ 833,532</u>	<u>\$ 232,579</u>	<u>\$ 31,976</u>	<u>\$ 13,770</u>	<u>\$ 853</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 714</u>	<u>\$ 500</u>	<u>\$ 1,114,324</u>
FUND BALANCES										
Nonspendable	\$ -	\$ 89,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,247
Committed	-	143,332	-	-	-	-	-	-	-	143,332
Assigned	-	-	31,976	13,770	853	400	-	714	500	48,213
Unassigned	833,532	-	-	-	-	-	-	-	-	833,532
Total fund balances	<u>\$ 833,532</u>	<u>\$ 232,579</u>	<u>\$ 31,976</u>	<u>\$ 13,770</u>	<u>\$ 853</u>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 714</u>	<u>\$ 500</u>	<u>\$ 1,114,324</u>

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GENERAL FUND
Year ended November 30, 2016**

	General Fund	Revolving Loan Fund	Employees Insurance Fund	Multiple Funds	Probation Fund	State's Attorney Fund	GIS Imprest Fund	Coordinated Services Imprest Fund	Treasurer's Computer Fund	Eliminations	Total General Fund
Revenues											
Taxes	\$3,539,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,539,286
Intergovernmental	689,196	-	1,183,991	-	-	-	-	-	-	(546,954)	1,326,233
Fines and fees	1,621,564	-	-	-	-	-	-	-	-	-	1,621,564
Interest	3,466	802	791	-	-	-	-	-	-	-	5,059
Miscellaneous	95,846	-	-	121,837	1,134	723	-	3,032	1,432	-	224,004
Licenses and fees	83,221	-	-	-	-	-	-	-	-	-	83,221
Total revenues	6,032,579	802	1,184,782	121,837	1,134	723	-	3,032	1,432	(546,954)	6,799,367
Expenditures											
Current											
General government	2,839,497	-	1,432,573	-	-	-	-	3,876	1,432	(546,954)	3,730,424
Public safety	2,400,798	-	-	118,219	-	-	-	-	-	-	2,519,017
Judiciary and court related	1,286,980	-	-	-	1,117	734	-	-	-	-	1,288,831
Capital outlay	57,041	-	-	-	-	-	-	-	-	-	57,041
Total expenditures	6,584,316	-	1,432,573	118,219	1,117	734	-	3,876	1,432	(546,954)	7,595,313
Revenues over (under) expenditures	(551,737)	802	(247,791)	3,618	17	(11)	-	(844)	-	-	(795,946)
Other financing sources											
Transfers in	963,500	-	-	-	-	-	-	-	-	(100,114)	863,386
Transfers out	(2,037)	-	-	(100,114)	-	-	-	-	-	100,114	(2,037)
Total other financing sources	961,463	-	-	(100,114)	-	-	-	-	-	-	861,349
NET CHANGE IN FUND BALANCE	409,726	802	(247,791)	(96,496)	17	(11)	-	(844)	-	-	65,403
Fund balances at December 1, 2015, as restated	423,806	231,777	279,767	110,266	836	411	-	1,558	500	-	1,048,921
Fund balances at November 30, 2016	\$ 833,532	\$ 232,579	\$ 31,976	\$ 13,770	\$ 853	\$ 400	\$ -	\$ 714	\$ 500	\$ -	\$ 1,114,324

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
November 30, 2016

	Special Revenue Funds								
	Tuberculosis Fund	IMRF Fund	Social Security fund	Senior Citizens Fund	Property & Liability Insurance Fund	Emergency Telephone System Fund	Drug Asset Forfeiture Fund	Hotel Operators Fund	Veterans Assistance Fund
ASSETS									
Cash	\$ -	\$ 833,789	\$ 329,496	\$ 92,475	\$ 672,067	\$ 112,112	\$ 6,060	\$ 12,925	\$ 250,282
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -
FUND BALANCES									
Restricted	-	833,789	329,496	92,475	672,067	62,112	6,060	12,925	250,282
Total liabilities and fund balances	\$ -	\$ 833,789	\$ 329,496	\$ 92,475	\$ 672,067	\$ 112,112	\$ 6,060	\$ 12,925	\$ 250,282

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2016

	Special Revenue Funds							
	County Highway Fund	County Farm Special Bridge Matching Fund	Separation Maintenance and Child Support	County Aid to Bridges Fund	Probation Fee Fund	Record Keeping Improvement Fund	Treasurers Automation Fund	Animal Control Vanek Estate Fund
ASSETS								
Cash	\$ 432,651	\$ 96,904	\$ 146,866	\$ 1,066,978	\$ 302,553	\$ 287,594	\$ 3,341	\$ 575,850
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES								
Restricted	432,651	96,904	146,866	1,066,978	302,553	287,594	3,341	575,850
Total liabilities and fund balances	\$ 432,651	\$ 96,904	\$ 146,866	\$ 1,066,978	\$ 302,553	\$ 287,594	\$ 3,341	\$ 575,850

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2016

	Special Revenue Funds								
	Coroner's Fund	Township Bridge Program Fund	Electronic Citation Fund	Document Storage Fund	Victim Impact Fund	Clerk Automation Fund	Drug Court Fund	County Court Fund	State's Attorney Automation Fund
ASSETS									
Cash	\$ 37,842	\$ 9,169	\$ 16,281	\$ 126,516	\$ 4,981	\$ 145,848	\$ 39,494	\$ 140,417	\$ 11,740
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES									
Restricted	37,842	9,169	16,281	126,516	4,981	145,848	39,494	140,417	11,740
Total liabilities and fund balances	\$ 37,842	\$ 9,169	\$ 16,281	\$ 126,516	\$ 4,981	\$ 145,848	\$ 39,494	\$ 140,417	\$ 11,740

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2016

	Special Revenue Funds						Capital Projects Funds Equipment Fund	Total Nonmajor Governmental Fund
	Automation Fund	County Drug Fund	Law Library Fund	Drug Test Fund	County Motor Fuel Tax Fund	Federal Aid Matching		
ASSETS								
Cash	\$ 329,614	\$ 9,368	\$ 41,485	\$ 13,377	\$ 472,189	\$ 956,746	\$ 315,849	\$ 7,892,859
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
FUND BALANCES								
Restricted	329,614	9,368	41,485	13,377	472,189	956,746	315,849	7,842,859
Total liabilities and fund balances	\$ 329,614	\$ 9,368	\$ 41,485	\$ 13,377	\$ 472,189	\$ 956,746	\$ 315,849	\$ 7,892,859

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	Special Revenue Funds								
	Tuberculosis Fund	IMRF Fund	Social Security Fund	Senior Citizens Fund	Property & Liability Insurance Fund	Emergency Telephone System Fund	Drug Asset Forfeiture Fund	Hotel Operators Fund	Veterans Assistance Fund
Revenues									
Property taxes	\$ -	\$ 1,104,526	\$ 609,751	\$ 105,325	\$ 510,493	\$ -	\$ -	\$ -	\$ 79,583
Replacement taxes	-	74,014	39,651	-	-	-	-	-	-
Intergovernmental	-	6,399	2,984	-	(208)	-	-	-	-
Charges for services	-	-	-	-	-	397,354	-	-	-
Miscellaneous	10	-	-	-	-	-	2,282	13,406	-
Interest	89	2,182	1,024	257	1,592	364	23	19	916
Total revenues	99	1,187,121	653,410	105,582	511,877	397,718	2,305	13,425	80,499
Expenditures									
Current									
General government	-	896,456	515,683	86,337	356,254	-	3,500	500	-
Public safety	-	-	-	-	-	330,994	-	-	-
Health and welfare	46,636	-	-	-	-	-	-	-	63,855
Transportation	-	-	-	-	-	-	-	-	-
Judiciary and court-related	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	46,636	896,456	515,683	86,337	356,254	330,994	3,500	500	63,855
Revenues over (under) expenditures	(46,537)	290,665	137,727	19,245	155,623	66,724	(1,195)	12,925	16,644
Other financing sources (uses)									
Sale of equipment	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	(43,187)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(43,187)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(89,724)	290,665	137,727	19,245	155,623	66,724	(1,195)	12,925	16,644
Fund balances at December 1, 2015, as restated	89,724	543,124	191,769	73,230	516,444	(4,612)	7,255	-	233,638
Fund balances at November 30, 2016	\$ -	\$ 833,789	\$ 329,496	\$ 92,475	\$ 672,067	\$ 62,112	\$ 6,060	\$ 12,925	\$ 250,282

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	Special Revenue Funds							
	County Highway Fund	County Farm Special Bridge Matching Fund	Separation Maintenance and Child Support	County Aid to Bridges Fund	Probation Fee Fund	Record Keeping Improvement Fund	Treasurers Automation Fund	Animal Control Vanek Estate Fund
Revenues								
Property taxes	\$ 421,301	\$ -	\$ -	\$ 210,651	\$ -	\$ -	\$ -	\$ -
Replacement taxes	27,826	-	-	(3,659)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	64,639	94,556	-	-
Miscellaneous	278,276	-	29,598	146,832	-	-	3,340	-
Interest	1,318	383	576	3,963	1,141	1,094	1	2,337
Total revenues	728,721	383	30,174	357,787	65,780	95,650	3,341	2,337
Expenditures								
Current								
General government	-	-	-	-	-	-	-	16,984
Public safety	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Transportation	758,049	-	-	329,109	-	-	-	-
Judiciary and court-related	-	-	33,893	-	34,682	43,517	-	-
Capital outlay	-	-	-	-	-	-	-	9,077
Total expenditures	758,049	-	33,893	329,109	34,682	43,517	-	26,061
Revenues over (under) expenditures	(29,328)	383	(3,719)	28,678	31,098	52,133	3,341	(23,724)
Other financing sources (uses)								
Sale of equipment	-	-	-	-	-	-	-	-
Transfers in	251,349	-	-	-	-	-	-	2,037
Transfers (out)	-	-	-	-	-	(8,386)	-	-
Total other financing sources (uses)	251,349	-	-	-	-	(8,386)	-	2,037
NET CHANGE IN FUND BALANCE	222,021	383	(3,719)	28,678	31,098	43,747	3,341	(21,687)
Fund balances at December 1, 2015, as restated	210,630	96,521	150,585	1,038,300	271,455	243,847	-	597,537
Fund balances at November 30, 2016	\$ 432,651	\$ 96,904	\$ 146,866	\$ 1,066,978	\$ 302,553	\$ 287,594	\$ 3,341	\$ 575,850

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	Special Revenue Funds								
	Coroner's Fund	Township Bridge Program Fund	Electronic Citation Fund	Document Storage Fund	Victim Impact Fund	Clerk Automation Fund	Drug Court Fund	County Court Fund	State's Attorney Automation Fund
Revenues									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	19,961	-	-	-	-	-	-	-
Charges for services	6,489	-	4,960	49,080	384	29,467	7,973	39,099	2,626
Miscellaneous	-	-	-	-	-	-	-	-	-
Interest	145	161	64	499	20	574	152	612	49
Total revenues	6,634	20,122	5,024	49,579	404	30,041	8,125	39,711	2,675
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health and welfare	3,278	-	-	-	-	-	-	-	-
Transportation	-	287,626	-	-	-	-	-	-	-
Judiciary and court-related	-	-	-	26,591	201	26,126	5,148	24,368	-
Capital outlay	-	-	-	-	-	-	-	-	2,500
Total expenditures	3,278	287,626	-	26,591	201	26,126	5,148	24,368	2,500
Revenues over (under) expenditures	3,356	(267,504)	5,024	22,988	203	3,915	2,977	15,343	175
Other financing sources (uses)									
Sale of equipment	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	(13,220)	-	-	-	-	(40,000)	-
Total other financing sources (uses)	-	-	(13,220)	-	-	-	-	(40,000)	-
NET CHANGE IN FUND BALANCE	3,356	(267,504)	(8,196)	22,988	203	3,915	2,977	(24,657)	175
Fund balances at December 1, 2015, as restated	34,486	276,673	24,477	103,528	4,778	141,933	36,517	165,074	11,565
Fund balances at November 30, 2016	\$ 37,842	\$ 9,169	\$ 16,281	\$ 126,516	\$ 4,981	\$ 145,848	\$ 39,494	\$ 140,417	\$ 11,740

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2016**

	Special Revenue Funds						Capital Project Funds Equipment Fund	Total Nonmajor Governmental Funds
	Automation Fund	County Drug Fund	Law Library Fund	Drug Test Fund	County Motor Fuel Tax Fund	Federal Aid Matching		
Revenues								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 789,544	\$ 224,563	\$ -	\$ 4,055,737
Replacement taxes	-	-	-	-	-	-	-	137,832
Intergovernmental	-	-	-	-	-	-	-	29,136
Charges for services	48,970	-	15,675	15,847	-	-	-	777,119
Miscellaneous	-	6,104	-	-	-	-	-	479,848
Interest	1,263	10	169	70	1,715	3,840	1,364	27,986
Total revenues	50,233	6,114	15,844	15,917	791,259	228,403	1,364	5,507,658
Expenditures								
Current								
General government	-	-	-	-	-	-	-	1,875,714
Public safety	-	2,400	-	-	-	-	-	333,394
Health and welfare	-	-	-	-	-	-	-	113,769
Transportation	-	-	-	-	324,432	513,559	48,702	2,261,477
Judiciary and court-related	30,933	-	17,660	26,712	-	-	-	269,831
Capital outlay	-	-	-	-	-	-	79,839	91,416
Total expenditures	30,933	2,400	17,660	26,712	324,432	513,559	128,541	4,945,601
Revenues over (under) expenditures	19,300	3,714	(1,816)	(10,795)	466,827	(285,156)	(127,177)	562,057
Other financing sources (uses)								
Sale of equipment	-	-	-	-	-	-	16,454	16,454
Transfers in	13,220	-	-	-	-	-	125,675	392,281
Transfers (out)	-	-	-	-	(377,024)	-	-	(481,817)
Total other financing sources (uses)	13,220	-	-	-	(377,024)	-	142,129	(73,082)
NET CHANGE IN FUND BALANCE	32,520	3,714	(1,816)	(10,795)	89,803	(285,156)	14,952	488,975
Fund balances at December 1, 2015, as restated	297,094	5,654	43,301	24,172	382,386	1,241,902	300,897	7,353,884
Fund balances at November 30, 2016	\$ 329,614	\$ 9,368	\$ 41,485	\$ 13,377	\$ 472,189	\$ 956,746	\$ 315,849	\$ 7,842,859

MONTGOMERY COUNTY, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

November 30, 2016

	Circuit Clerk's Fund	County Clerk's Fund	Emergency Management Agency Funds	Commissary Fund	Township Motor Fuel Tax Fund	County Treasurer's Other Funds	Total
Assets							
Cash and temporary investments	<u>\$ 603,681</u>	<u>\$ 160,679</u>	<u>\$ 93,905</u>	<u>\$ 78,641</u>	<u>\$ 647,428</u>	<u>\$ 448,435</u>	<u>\$ 2,032,769</u>
Liabilities							
Due to others	<u>\$ 603,681</u>	<u>\$ 160,679</u>	<u>\$ 93,905</u>	<u>\$ 78,641</u>	<u>\$ 647,428</u>	<u>\$ 448,435</u>	<u>\$ 2,032,769</u>

MONTGOMERY COUNTY, ILLINOIS

CIRCUIT CLERK'S FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash and temporary investments	<u>\$ 443,852</u>	<u>\$ 2,496,155</u>	<u>\$ 2,336,326</u>	<u>\$ 603,681</u>
Liabilities				
Due to others	<u>\$ 443,852</u>	<u>\$ 2,496,155</u>	<u>\$ 2,336,326</u>	<u>\$ 603,681</u>

MONTGOMERY COUNTY, ILLINOIS

**COUNTY CLERK'S FUND STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES**

Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash	\$ 90,631	\$ 1,327,931	\$ 1,257,883	\$ 160,679
Liabilities				
Due to others	\$ 90,631	\$ 1,327,931	\$ 1,257,883	\$ 160,679

MONTGOMERY COUNTY, ILLINOIS

AMBULANCE DISTRICTS AND CIVIL DEFENSE FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash	\$ 108,079	\$ 1,481,896	\$ 1,496,070	\$ 93,905
Liabilities				
Due to others	\$ 108,079	\$ 1,481,896	\$ 1,496,070	\$ 93,905

MONTGOMERY COUNTY, ILLINOIS

COMMISSARY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Commissary Fund				
Assets				
Cash	\$ 52,882	\$ 621,378	\$ 595,619	\$ 78,641
Liabilities				
Due to others	\$ 52,882	\$ 621,378	\$ 595,619	\$ 78,641

MONTGOMERY COUNTY, ILLINOIS

TOWNSHIP MOTOR FUEL TAX FUND STATEMENT OF CHANGES IN ASSETS AND LIABILITIES Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Assets				
Cash	<u>\$ 119,454</u>	<u>\$ 1,862,209</u>	<u>\$ 1,334,235</u>	<u>\$ 647,428</u>
Liabilities				
Due to others	<u>\$ 119,454</u>	<u>\$ 1,862,209</u>	<u>\$ 1,334,235</u>	<u>\$ 647,428</u>

MONTGOMERY COUNTY, ILLINOIS

COUNTY TREASURER'S OTHER FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES Year ended November 30, 2016

	Balance December 1, 2015	Additions	Deductions	Balance November 30, 2016
Drainage District Funds				
Assets				
Cash	\$ 312,716	\$ 122,826	\$ 89,372	\$ 346,170
Liabilities				
Due to drainage districts	\$ 312,716	\$ 122,826	\$ 89,372	\$ 346,170
Trustee Auction Escrow				
Assets				
Cash	\$ 4,133	\$ 34,304	\$ 17,039	\$ 21,398
Liabilities				
Due to others	\$ 4,133	\$ 34,304	\$ 17,039	\$ 21,398
County Treasurer Escheats Fund				
Assets				
Cash	\$ 79,213	\$ 314	\$ -	\$ 79,527
Liabilities				
Due to others	\$ 79,213	\$ 314	\$ -	\$ 79,527
Collectors Funds				
Assets				
Cash	\$ 12,656	\$ 38,050,200	\$ 38,061,516	\$ 1,340
Liabilities				
Due to taxing bodies	\$ 12,656	\$ 38,050,200	\$ 38,061,516	\$ 1,340
Total County Treasurer's Funds				
Assets				
Cash	\$ 408,718	\$ 38,207,644	\$ 38,167,927	\$ 448,435
Liabilities				
Due to others	\$ 408,718	\$ 38,207,644	\$ 38,167,927	\$ 448,435

MONTGOMERY COUNTY, ILLINOIS
REPORTS ON INTERNAL CONTROL AND COMPLIANCE
REQUIRED BY GOVERNMENT AUDITING
STANDARDS AND UNIFORM GUIDANCE

Year Ended November 30, 2016

MONTGOMERY COUNTY, ILLINOIS

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**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To Honorable Members
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 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, 2016, and the related notes to the financial statements which collectively comprise Montgomery County, Illinois' basic financial statements and have issued our report thereon dated May 9, 2017. Our report on the basic financial statements disclosed that, as described in Note 1 to the financial statements, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial 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 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 material weaknesses or significant deficiencies. 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's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test 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.

Kerber, Eck & Braeckel LLP

Litchfield, Illinois
May 9, 2017



Kerber, Eck & Braeckel LLP

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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To Honorable Members
Montgomery County Board
Hillsboro, Illinois

Report on Compliance for Each Major Program

We have audited Montgomery County, Illinois' compliance with the types of compliance requirements described in OMB *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, 2016. The County's major federal programs are identified in the summary of auditors' 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 its federal programs.

Auditors' 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 the audit requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs at item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

Montgomery County, Illinois' response to the noncompliance finding 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 Uniform Guidance, 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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 control over compliance, as described in the accompanying schedule of findings and questioned cost as item 2016-001, that we consider to be a significant deficiency.

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 the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited 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, 2016, and the related notes to the financial statements, which collectively comprise Montgomery County, Illinois' basic financial statements. We issued our report thereon dated May 9, 2017. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Kerber, Edle & Braedel LLP

Litchfield, Illinois
May 9, 2017

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended November 30, 2016

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Grant/ Contract Number	Expenditures
U.S. Department of Agriculture			
Passed-through Illinois Department of Human Services			
Special Supplemental Nutrition Program for			
Women, Infants, and Children			
WIC Suppl Food Program	10.557	FCSVQ00836	\$ 40,229
WIC Suppl Food Program - Breastfeeding	10.557	FCSVQ01187	7,589
WIC Suppl Food Program	10.557	FCSUQ00836	61,114
WIC Suppl Food Program - Breastfeeding	10.557	FCSUQ01187	10,364
WIC Suppl Food Voucher (non-cash)	10.557		<u>279,145</u>
Total U.S. Department of Agriculture			398,441
U.S. Department of Transportation			
Passed-through Illinois Emergency Management Agency			
Interagency Hazardous Materials Public Sector			
Training and Planning Grants			
	20.703	15MONTGHME	3,405
U.S. Department of Health and Human Services			
Passed-through Area Agency on Aging for Lincolnland			
Title VII Chapter 3 Programs for Prevention of			
Elder Abuse, Neglect, and Exploitation			
	93.041	MT02-16/17	3,000
Title III, Part B Programs for Supportive Services			
for Senior Citizens			
	93.044	IA02-16/17	16,812
Title III, Part E National Family Caregiver Support			
	93.052	AA02-16/17	2,973
Passed-through Illinois Department of Public Health			
Public Health Emergency Preparedness (PHEP) Program			
	93.074	67180065D	21,601
Public Health Emergency Preparedness (PHEP) Program			
	93.074	77180065E	17,285
Public Health Emergency Preparedness (PHEP) Program			
	93.074	67180172D	<u>5,421</u>
Total Public Health Emergency Preparedness (PHEP) Program			44,307
Early Detection Program - Breast and Cervical Cancer			
Screening Program			
	93.752	66180022D	144,472
Early Detection Program - Breast and Cervical Cancer			
Screening Program			
	93.752	76180020E	<u>67,572</u>
Total Early Detection Program - Breast and Cervical Cancer			212,044
Passed-through Illinois Department of Human Services			
Prevention and Treatment of Substance Abuse Block Grant			
	93.959	FCSUP01386	35,581
Prevention and Treatment of Substance Abuse Block Grant			
	93.959	43CUC00082	22,673
Prevention and Treatment of Substance Abuse Block Grant			
	93.959	FCSVP01386	24,778
Prevention and Treatment of Substance Abuse Block Grant			
	93.959	43CVC03074	<u>12,624</u>
Total Prevention and Treatment of Substance Abuse Block Grant			<u>95,656</u>
Total U.S. Department of Health and Human Services			374,792
U.S. Department of Homeland Security			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants			
	97.042	16EMAMONTG	<u>10,446</u>
Total U.S. Department of Homeland Security			<u>10,446</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 787,084</u>

See notes to the schedule of expenditure of federal awards.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Montgomery County, Illinois, under programs of the federal government for the year ended November 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the County's operations, it is not intended to and does not present the financial position and changes in financial position of Montgomery County, Illinois.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

There have been no awards passed through to subrecipients.

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on financial statement: Unmodified opinion.

Internal control over financial reporting

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Type of auditors' report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance? Yes

The programs tested as major programs include:

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Montgomery County qualified as low risk auditee? No

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

II. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit.

II. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2016-001

Federal Programs: Special Supplemental Nutrition Program for Women, Infants, and Children, CFDA No: 10.557

Federal Agency: Department of Agriculture

Pass-Through Entity: Illinois Department of Human Services

Compliance Requirement: Eligibility

Condition: Of the 40 program participants tested, the County Health Department did not maintain personal identification or proof of residency for one of the participants.

Criteria: Uniform Guidance requires program applicants must provide proof of identity and residency.

Cause: The proof of residency documentation could not be found.

Effect: The participant's eligibility to participate in the program was not adequately supported in accordance with Uniform Guidance.

Questioned Costs: None

Recommendation: For those applicants approved, we recommend the Health Department maintain proper documentation evidencing their identity and residency in accordance with the program's requirements.

Management's response: Additional reviews have been implemented to insure proper documentation for WIC eligibility is maintained in participants' files as required. Hugh Satterlee, Montgomery County Health Department

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-001

Condition: Audit procedures detected capital assets that were omitted from the financial statements. Audit procedures also identified capital assets reported on the financial statements that had been disposed of in prior years.

Recommendation: We recommend the County maintain complete and accurate capital asset records necessary for financial reporting in accordance with generally accepted accounting principles.

Current Status: The County now prepares the financial statements in accordance with the cash basis of accounting and no further action is necessary.

Finding 2015-002

Condition: Audit procedures identified certain funds that were incorrectly reported as special revenue funds and agency funds in the prior period financial statements.

Recommendation: The funds are now appropriately classified in the financial statements and no further action is necessary.

Current Status: This recommendation has been implemented.

Finding 2015-003

Condition: The County has not recognized the other post-employment benefit (OPEB) obligation and expense in the government-wide financial statements.

Recommendation: We recommend the County engage the services of an actuary to determine the amount of other post-employment benefit obligation and expense for financial reporting.

Current Status: The County now prepares their financial statements in accordance with the cash basis of accounting.

Finding 2015-004

Condition: Audit procedures detected material errors in the Health Department receivable balances at year end.

Recommendation: We recommend the Health Department ensure the accuracy of accounts receivable balances.

Current Status: The County now prepares the financial statements in accordance with the cash basis of accounting and no further action is necessary.

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-005

Condition: Disbursement duties do not appear to be adequately segregated. Certain employees have access to the blank check stock and signature stamp and prepare and mail checks. These employees also prepare the invoice payment reports, preauthorized vendor reports, and claims docket for approval by committees of the County Board.

Recommendation: To enhance internal control and better safeguard County assets, we recommend the disbursement duties be further segregated. We also recommend that someone independent of the check preparation process receive the bank statements unopened each month, open the statements and review them, along with the canceled checks, for any unusual and unexpected items. The statement should be signed off to evidence review.

Current Status: Bank statements and other disbursement records are now signed off to evidence supervisory review.

Finding 2015-006

Condition: The Sheriff maintains six bank accounts with balances totaling approximately \$163,000 at November 30, 2015. There is a lack segregation of duties in the receiving, depositing and recording of receipts with the Sheriff's department. Currently, one employee performs all of these functions. This employee also has access to blank check stock and is responsible for preparing and mailing checks, and performing the bank reconciliation.

Recommendation: We recommend the Sheriff's Department further segregate duties over receipts. To enhance internal control and better safeguard County assets, we recommend the County Treasurer maintain custody of the Sheriff's accounts.

Current Status: The Sheriff now only maintains control of the Commissary fund while the other funds have been transferred to the County Treasurer's office.

Finding 2015-007

Condition: Grants management is decentralized across county departments. To facilitate preparation of the schedule of expenditures of federal awards, the County Treasurer request that department administrators complete a form summarizing grant data necessary for completion of the schedule. Certain department administrators did not respond to the Treasurer's request to provide the information.

Recommendation: We recommend all County departments summarize important grant data at year end to facilitate completion of the schedule of expenditures of federal awards.

Current Status: This recommendation has been implemented.

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-008

Condition: The County Health Department allocates salaries and benefits to the program based on budget estimations rather than personnel activity reports.

Recommendation: For those employees working on multiple grant activities or cost objectives, we recommend personnel time sheets be used as the basis for allocating salaries and benefits to the program in accordance with OMB Circular A-87. We further recommend that the personnel time sheets be subsequently signed by the employee.

Current Status: This recommendation has been implemented.

MONTGOMERY COUNTY, ILLINOIS
REPORT TO THE MONTGOMERY COUNTY BOARD
November 30, 2016



The Honorable Members
Montgomery County Board
Montgomery County, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois for the year ended November 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 10, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Montgomery County, Illinois are described in Note 1 to the financial statements.

As described in Note 9 to the financial statements, the 2016 financial statements were prepared in accordance with the cash basis of accounting. In prior years, the financial statements were prepared in accordance with generally accepted accounting principles. The beginning net position and fund balances have been restated for this change in basis of accounting.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

There are no sensitive estimates affecting Montgomery County, Illinois' financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizing adjustments detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 9, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the government unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the combining and individual fund statements which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the budgetary comparison schedules, which accompany the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Montgomery County Board and management of Montgomery County, Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.

Kerber, Eck & Braeckel LLP

Litchfield, Illinois
May 9, 2017



Kerber, Eck & Braeckel LLP

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The Honorable Members
Montgomery County Board
Hillsboro, Illinois

In planning and performing our audit of the financial statements of Montgomery County, Illinois as of and for the year ended November 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered Montgomery County, Illinois' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 the Montgomery County, Illinois' internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated May 9, 2017 contains our communication of significant deficiencies and material weaknesses in the Montgomery County, Illinois' internal control. This letter does not affect our report dated May 9, 2017 on the financial statements of Montgomery County, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various County personnel, and we will be pleased to discuss them in further detail at your convenience, to perform an additional study of these matters, or to assist you in implementing the recommendations.

Kerber, Eck & Braeckel LLP

Litchfield, Illinois
May 9, 2017

MEMORANDUM OF ADVISORY COMMENTS

Positive Pay Banking

During our audit, we noted that the County does not use positive pay banking. Positive pay banking is a fraud detection tool that allows entities to submit a list of checks to the bank depository in advance of distribution of payments. As the payee deposits the checks, the bank compares the check number, amount, and payee name to verify the check is properly authorized. We recommend the County consider working with its financial institution to implement positive pay banking.

Budgetary Controls

We noted that actual expenditures exceeded the legally adopted budget for certain funds and offices. We recommend the County strengthen budgetary controls to ensure the budget is amended prior to expending any funds that will exceed the approved budget.

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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Adjusting Journal Entries JE # 1

To reverse PY payables

100-000-201001	Accounts Payable		100,089.00	
100-000-201012	Due To Other Funds		140,185.00	
205-000-201012	Due To Other Funds		2,964.00	
222-000-201001	Accounts Payable		5,258.00	
225-000-201001	Accounts Payable		17,989.00	
225-000-201012	Due To Other Funds		9,570.00	
230-000-201001	Accounts Payable		4,658.00	
230-000-201012	Due To Other Funds		77,215.00	
235-000-201001	Accounts Payable		130,541.00	
240-000-201001	Accounts Payable		58,049.00	
240-000-201012	Due To Other Funds		59,960.00	
245-000-201001	Accounts Payable		153,193.00	
255-000-201001	Accounts Payable		271,673.00	
284-000-201001	Accounts Payable		117.00	
304-000-201001	Accounts Payable		897.00	
305-000-201001	Accounts Payable		768.00	
308-000-201001	Accounts Payable		852.00	
308-000-201012	Due To Other Funds		2,451.00	
325-000-201001	Accounts Payable		924.00	
329-000-201001	Accounts Payable		590.00	
360-000-201001	Accounts Payable		190.00	
375-000-201001	Accounts Payable		12,933.00	
475-000-201001	Accounts Payable		3,600.00	
495-000-201001	Accounts Payable		900.00	
497-000-201001	Accounts Payable		747.00	
498-000-201001	Accounts Payable		515.00	
100-000-301000	Fund Balance			240,274.00
205-000-301000	Fund Balance			2,964.00
222-000-301000	Fund Balance			5,258.00
225-000-301000	Fund Balance			27,559.00
230-000-301000	Fund Balance			81,873.00
235-000-301000	Fund Balance			130,541.00
240-000-301000	Fund Balance			118,009.00
245-000-301000	Fund Balance			153,193.00
255-000-301000	Fund Balance			271,673.00
284-000-301000	Fund Balance			117.00
304-000-301000	Fund Balance			897.00
305-000-301000	Fund Balance			768.00
308-000-301000	Fund Balance			3,303.00
325-000-301000	Fund Balance			924.00
329-000-301000	Fund Balance			590.00
360-000-301000	Fund Balance			190.00
375-000-301000	Fund Balance			12,933.00
475-000-301000	Fund Balance			3,600.00
495-000-301000	Fund Balance			900.00
497-000-301000	Fund Balance			747.00
498-000-301000	Fund Balance			515.00
Total			1,056,828.00	1,056,828.00

Adjusting Journal Entries JE # 2

To reverse PY amounts due from State of IL

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
100-000-201029	Deferred Taxes		268,532.00	
100-000-301000	Fund Balance		513,724.00	
230-000-301000	Fund Balance		260,676.00	
235-000-201099	Deferred Inflow		62,786.00	
240-000-105048	Accts Receiv-Other Counties		107,587.00	
240-000-301000	Fund Balance		658,559.00	
100-000-105046	Accounts Receivable			782,256.00
230-000-105046	Accounts Receivable			260,676.00
235-000-105046	Accounts Receivable			62,786.00
240-000-105046	Accounts Receivable			107,587.00
240-000-105046	Accounts Receivable			658,559.00
Total			1,871,864.00	1,871,864.00

Adjusting Journal Entries JE # 4

To reverse PY health department payables

200-000-201001	Accounts Payable		48,046.00	
200-000-201005	Accured Wages		10,815.00	
200-000-201012	Due To Other Funds		146,109.00	
200-000-301000	Fund Balance			204,970.00
Total			204,970.00	204,970.00

Adjusting Journal Entries JE # 5

To reverse PY IMRF Payable

210-000-201011	Due To 911		67,801.00	
210-000-234000	IMRF		27,275.00	
210-000-301000	Fund Balance			95,076.00
Total			95,076.00	95,076.00

Adjusting Journal Entries JE # 6

To reverse PY accrued benefits

210-000-201001	Accounts Payable		13,111.00	
210-000-201035	Accounts Payable		13,111.00	
215-000-230500	FICA Employer Share		7,169.00	
100-000-101014	Cash In Bank - HFCB			
210-000-201035	Accounts Payable			13,111.00
210-000-301000	Fund Balance			13,111.00
215-000-301000	Fund Balance			7,169.00
Total			33,391.00	33,391.00

Adjusting Journal Entries JE # 7

To reverse PY amounts due from funds for health insurance paid

475-000-301000	Fund Balance		301,279.00	
475-000-105045	Due From Other Funds			301,279.00
Total			301,279.00	301,279.00

Adjusting Journal Entries JE # 8

To reverse PY amount due to other funds

225-000-301000	Fund Balance		137,175.00	
225-000-105045	Due From Other Funds			137,175.00
Total			137,175.00	137,175.00

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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Adjusting Journal Entries JE # 9

To reverse PY County Clerk fees accrued

100-000-301000	Fund Balance		35,322.00	
325-000-301000	Fund Balance		10,990.00	
327-000-301000	Fund Balance		2,080.00	
100-000-105047	Accts Receiv-Fee Offices			35,322.00
325-000-105031	Accounts Receivable			10,990.00
327-000-105031	Accounts Receivable			2,080.00
Total			48,392.00	48,392.00

Adjusting Journal Entries JE # 10

To remove PY accrual for dispatch fees

100-000-301000	Fund Balance		1,750.00	
100-000-301000	Fund Balance		21,833.00	
100-000-105046	Accounts Receivable			1,750.00
100-000-105046	Accounts Receivable			21,833.00
Total			23,583.00	23,583.00

Adjusting Journal Entries JE # 11

To remove PY 911 fees accrued

911-000-201013	Deferred Revenue		47,261.00	
911-000-301000	Fund Balance		77,468.00	
911-000-102002	Allowance For Fee For Coll.			15,516.00
911-000-105031	Accounts Receivable			109,213.00
Total			124,729.00	124,729.00

Adjusting Journal Entries JE # 12

To remove PY accrued wages

100-000-201900	Accrued Wages		78,435.00	
205-000-201900	Accrued Wages		580.00	
225-000-201900	Accrued Wages		2,252.00	
283-000-201900	Accrued Wages		275.00	
284-000-201900	Accrued Wages		349.00	
305-000-201900	Accrued Wages		386.00	
325-000-201900	Accrued Wages		360.00	
327-000-201900	Accrued Wages		489.00	
911-000-201900	Accrued Wages		10,589.00	
100-000-301000	Fund Balance			78,435.00
205-000-301000	Fund Balance			580.00
225-000-301000	Fund Balance			2,252.00
283-000-301000	Fund Balance			275.00
284-000-301000	Fund Balance			349.00
305-000-301000	Fund Balance			386.00
325-000-301000	Fund Balance			360.00
327-000-301000	Fund Balance			489.00
911-000-301000	Fund Balance			10,589.00
Total			93,715.00	93,715.00

Adjusting Journal Entries JE # 13

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
To reverse PY Circuit Clerk Fees				
100-000-301000	Fund Balance		74,079.00	
304-000-301000	Fund Balance		1,159.00	
305-000-301000	Fund Balance		2,564.00	
308-000-301000	Fund Balance		3,452.00	
310-000-301000	Fund Balance		3,431.00	
360-000-301000	Fund Balance		626.00	
380-000-301000	Fund Balance		162.00	
494-000-301000	Fund Balance		327.00	
495-000-301000	Fund Balance		509.00	
497-000-301000	Fund Balance		2,405.00	
498-000-301000	Fund Balance		1,037.00	
100-000-105047	Accts Receiv-Fee Offices			88.00
100-000-105047	Accts Receiv-Fee Offices			190.00
100-000-105047	Accts Receiv-Fee Offices			236.00
100-000-105047	Accts Receiv-Fee Offices			3,998.00
100-000-105047	Accts Receiv-Fee Offices			69,567.00
304-000-105031	Accounts Receivable			1,159.00
305-000-105031	Accounts Receivable			2,564.00
308-000-105031	Accounts Receivable			3,452.00
310-000-105031	Accounts Receivable			3,431.00
360-000-105031	Accounts Receivable			626.00
380-000-105031	Accounts Receivable			162.00
494-000-105031	Accounts Receivable			327.00
495-000-105031	Accounts Receivable			509.00
497-000-105031	Accounts Receivable			2,405.00
498-000-105031	Accounts Receivable			1,037.00
Total			89,751.00	89,751.00
Adjusting Journal Entries JE # 14				
To reverse PY deferred inflows for health dept				
200-000-201013	Deferred Revenue		274,395.00	
200-000-301000	Fund Balance			274,395.00
Total			274,395.00	274,395.00
Adjusting Journal Entries JE # 15				
To remove PY health dept. accrual conversion				
200-000-105046	Accounts Receivable		69,850.00	
200-000-301000	Fund Balance		12,188.00	
200-000-105069	Accounts Receivable Mccc			82,038.00
Total			82,038.00	82,038.00
Adjusting Journal Entries JE # 16				
To remove PY health dept receivable				
200-000-105046	Accounts Receivable		82,191.00	
200-000-301000	Fund Balance		493,313.00	
200-000-105046	Accounts Receivable			575,504.00
Total			575,504.00	575,504.00
Adjusting Journal Entries JE # 17				

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
To remove PY reclassification of PPRT amounts				
100-000-301000	Fund Balance		3,151.00	
200-000-301000	Fund Balance		1,627.00	
210-000-301000	Fund Balance		6,966.00	
215-000-301000	Fund Balance		2,574.00	
225-000-301000	Fund Balance		1,627.00	
235-000-201012	Due To Other Funds		16,758.00	
245-000-301000	Fund Balance		813.00	
100-000-105045	Due From Other Funds			3,151.00
200-000-105045	Due From Other Funds			1,627.00
210-000-105045	Due From Other Funds			6,966.00
215-000-105045	Due From Other Funds			2,574.00
225-000-105045	Due From Other Funds			1,627.00
235-000-301000	Fund Balance			16,758.00
245-000-105045	Due From Other Funds			813.00
Total			33,516.00	33,516.00

Adjusting Journal Entries JE # 18

To remove PY PPRT receivables				
100-000-301000	Fund Balance		2,397.00	
200-000-301000	Fund Balance		1,184.00	
210-000-301000	Fund Balance		2,986.00	
215-000-301000	Fund Balance		1,653.00	
225-000-301000	Fund Balance		1,184.00	
235-000-301000	Fund Balance		592.00	
245-000-301000	Fund Balance		592.00	
100-000-105046	Accounts Receivable			2,397.00
200-000-105033	Replacement Tax Receivable			1,184.00
210-000-105033	Replacement Tax Receivable			2,986.00
215-000-105033	Replacement Tax Receivable			1,653.00
225-000-105033	Replacement Tax Receivable			1,184.00
235-000-105033	Replacement Tax Receivable			592.00
245-000-105033	Replacement Tax Receivable			592.00
Total			10,588.00	10,588.00

Adjusting Journal Entries JE # 19

To remove PY Coal royalties receivable				
375-000-301000	Fund Balance		20,600.00	
375-000-105047	Accts Receiv-Fee Offices			20,600.00
Total			20,600.00	20,600.00

Adjusting Journal Entries JE # 20

To adjust for misposting of county clerk fees				
100-325-430001	Fees		8,386.00	
325-000-580009	Transfer Out - Record Keeping Improvement		8,386.00	
100-000-480009	Transfer In			8,386.00
325-325-430001	Fees			8,386.00
Total			16,772.00	16,772.00

99-07

Adjusting Journal Entries JE # 21

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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To reclass senior health service revenue entered in Property tax revenue

200-200-410100	Property Tax-Current Year		23,000.00	
200-200-460184	Senior Health Services			23,000.00
Total			23,000.00	23,000.00

Adjusting Journal Entries JE # 22

90-10

To reclass payments from MFT and Highway Funds to Equipment Fund as transfer

222-222-480011	Exp Reimb-County Motor Fuel		125,675.00	
225-225-480011	Exp Reimb-County Motor Fuel		251,349.00	
230-230-540031	Transfer Out		125,675.00	
230-230-540031	Transfer Out		251,349.00	
222-222-480001	Salary Reimbursement			125,675.00
225-225-480001	County Highway - Transfer Out			251,349.00
230-230-540041	Labor			125,675.00
230-230-540041	Labor			251,349.00
Total			754,048.00	754,048.00

Adjusting Journal Entries JE # 23

70-00

To remove A/P that were entered during FY16

100-000-201125	Fusion		98.00	
100-000-230000	FICA		273.00	
100-000-231000	Social Security Medicare		844.00	
100-000-232000	Federal Withholding		384.00	
100-000-234000	IMRF		219.00	
100-000-580009	Transfer Out - Gen Fund		2,037.00	
200-000-201086	Section 125 Medical		477.00	
370-000-201035	Accounts Payable		2,037.00	
100-000-201035	Accounts Payable			2,037.00
100-005-530015	Janitorial Supplies			1.00
100-040-201125	Fusion			98.00
100-040-230000	FICA			690.00
100-040-231000	Social Security Medicare			161.00
100-040-232000	Federal Withholding			316.00
100-040-234000	IMRF			63.00
100-045-230000	FICA			215.00
100-045-231000	Social Security Medicare			50.00
100-045-232000	Federal Withholding			68.00
100-045-234000	IMRF			156.00
200-000-201058	Hillsboro Community Credit Union			477.00
370-000-480009	Transfer In - Vanek Estate			2,037.00
Total			6,369.00	6,369.00

Adjusting Journal Entries JE # 24

Agency Tab

To add agency transactions to TB

289-289-480010	Refund		42,880.00	
Agency.CircuitClerk.1	Cash		603,681.00	
Agency.CircuitClerk.3	Deductions		2,336,275.00	
Agency.Computer.1	Cash		500.00	
Agency.Computer.3	Deductions		1,432.00	
Agency.CoordSvcs.1	Cash		714.00	
Agency.CoordSvcs.3	Deductions		3,876.00	

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Agency.CountyClerk.1	Cash		160,678.00	
Agency.CountyClerk.2	Deductions		1,257,883.00	
Agency.EMA.Ambulance	Cash		91,862.00	
Agency.EMA.Ambulance	Deductions		1,490,844.00	
Agency.EMA.Revolving	Cash		2,043.00	
Agency.EMA.Revolving	Deductions		5,227.00	
Agency.Probation.1	Cash		853.00	
Agency.Probation.3	Deductions		1,117.00	
Agency.Sheriff.Commission	Cash		78,641.00	
Agency.Sheriff.Commission	Deductions		595,619.00	
Agency.Sheriff.Drug.3	Deductions		2,081.00	
Agency.Sheriff.Drug.4	Transfer Out		4,593.00	
Agency.Sheriff.DUI.3	Deductions		62.00	
Agency.Sheriff.DUI.4	Transfer Out		11,065.00	
Agency.Sheriff.ECitation	Transfer Out		284.00	
Agency.Sheriff.Ed&Enf	Deductions		12,628.00	
Agency.Sheriff.Ed&Enf	Transfer Out		42,880.00	
Agency.Sheriff.EqSharin	Deductions		1,466.00	
Agency.Sheriff.FTA.3	Deductions		1,874.00	
Agency.Sheriff.FTA.4	Transfer Out		45,885.00	
Agency.Sheriff.Revolving	Cash		13,770.00	
Agency.Sheriff.Revolving	Deductions		116,126.00	
Agency.StatesAttorney	Cash		400.00	
Agency.StatesAttorney	Deductions		734.00	
289-289-480009	Transfer In			42,880.00
Agency.CircuitClerk.0	Beginning Balance			443,801.00
Agency.CircuitClerk.2	Additions			2,496,155.00
Agency.Computer.0	Beginning Balance			500.00
Agency.Computer.2	Additions			1,432.00
Agency.CoordSvcs.0	Beginning Balance			1,558.00
Agency.CoordSvcs.2	Additions			3,032.00
Agency.CountyClerk.1	Beginning Balance			90,631.00
Agency.CountyClerk.2	Additions			1,327,930.00
Agency.EMA.Ambulance	Beginning Balance			108,176.00
Agency.EMA.Ambulance	Additions			1,474,530.00
Agency.EMA.Revolving	Beginning Balance			1,289.00
Agency.EMA.Revolving	Additions			5,981.00
Agency.Probation.0	Beginning Balance			836.00
Agency.Probation.2	Additions			1,134.00
Agency.Sheriff.Commission	Beginning Balance			52,882.00
Agency.Sheriff.Commission	Additions			621,378.00
Agency.Sheriff.Drug.1	Beginning Balance			5,654.00
Agency.Sheriff.Drug.2	Additions			1,020.00
Agency.Sheriff.DUI.0	Beginning Balance			7,106.00
Agency.Sheriff.DUI.2	Additions			4,021.00
Agency.Sheriff.ECitation	Additions			284.00
Agency.Sheriff.Ed&Enf	Beginning Balance			53,733.00
Agency.Sheriff.Ed&Enf	Additions			1,775.00
Agency.Sheriff.EqSharin	Beginning Balance			1,466.00
Agency.Sheriff.FTA.0	Beginning Balance			34,577.00
Agency.Sheriff.FTA.2	Additions			13,182.00
Agency.Sheriff.Revolving	Beginning Balance			13,384.00
Agency.Sheriff.Revolving	Additions			116,512.00
Agency.StatesAttorney	Beginning Balance			411.00
Agency.StatesAttorney	Additions			723.00

Client: 01812 - Montgomery County
 Engagement: 2016 Audit - Montgomery County
 Period Ending: 11/30/2016
 Trial Balance: 30-01 - Trial Balance
 Workpaper: 31-01 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Total			<u>6,927,973.00</u>	<u>6,927,973.00</u>
Adjusting Journal Entries JE # 26		FS		
To adjust fund balance for reporting cash basis - General Fund				
100-000-105080	Notes Rec - Rev Loan - 2008-001		92.00	
100-005-520003	Maintenance Building		1,224.00	
100-000-301000	Fund Balance			1,224.00
100-005-520003	Maintenance Building			92.00
Total			<u>1,316.00</u>	<u>1,316.00</u>