

Montgomery County, Illinois

Kerber, Eck & Braeckel LLP

An Overview of the Audit

for the Year Ended November 30, 2017



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- ▶ Summary of Auditors' Results
 - Financial statements
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Summary of Auditors' Results -Financial Statements

- ▶ Management's responsibility = preparing financial statements in accordance with the *cash basis of accounting*.
- ▶ Auditors' responsibility = expressing an opinion on the financial statements
- ▶ Audit performed in accordance with:
 - Generally Accepted Auditing Standards
 - Government Auditing Standards
 - OMB's Uniform Guidance



Summary of Auditors' Results - Financial Statements

- ▶ Type of auditors' report issued on financial statements: Unmodified opinion

Types of Audit Opinions

✓ Unmodified opinion – This is also known as a “clean opinion” meaning that the financial statements appear to be presented fairly in conformity with the cash basis of accounting.

Qualified opinion – This means that the auditor has taken exception to certain accounting applications or is unable to establish the potential outcome of a material uncertainty

Adverse opinion – This is a type of audit opinion which states that the financial statements do not fairly present the financial position and changes in financial position in conformity with the cash basis of accounting.



Summary of Auditors' Results -Financial Statements

- Other Information
 - Budgetary Comparison Schedules
 - General Fund
 - Public Health Fund
 - Coal Royalties Fund
 - Emergency Telephone System Fund
 - Combining and Individual Fund Schedules
 - General Fund
 - Nonmajor Funds
 - Agency Funds

Unaudited

Fairly stated in relation to the
to the basic financial statements

The logo for Kerber, Eck & Braeckel LLP, featuring the letters 'KEB' in a bold, sans-serif font. A thin, curved line arches over the letters from the top left to the top right.

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Summary of Auditors' Results -Financial Statements

- ▶ Internal control over financial reporting
 - No material weaknesses: None noted
 - Noncompliance with laws, regulations, grants, and contracts material to the financial statements: None noted
 - Other recommendations
 - Budgetary controls
 - Accounting procedures manual
 - Economic interest forms
 - Positive pay banking



Summary of Auditors' Results -Federal Awards

- ▶ Federal programs tested as major programs: 10.557 WIC
- ▶ Type of auditors' report issued on compliance for major programs:
Unmodified opinion
- ▶ Internal control over major programs: None noted
- ▶ Compliance finding: None noted



Other Required Communications

Professional standards require that we communicate the following additional information related to our audit:

- ▶ Significant accounting policies are described in Note 1 to the financial statements. (*Cash basis of accounting.*)
- ▶ No transactions lacked authoritative guidance or consensus.
- ▶ All significant transactions have been recognized in the financial statements in the proper period.
- ▶ No significant accounting estimates.
- ▶ The financial statement disclosures are consistent, neutral and clear.



Other Required Communications

- ▶ No significant difficulties encountered in performing the audit
- ▶ Audit adjustments to the financial statements: None
- ▶ No disagreements with management.
- ▶ No management consultations with other independent accountants to obtain “second opinion” regarding accounting or auditing matters.
- ▶ Upon acceptance of the audit, we expect management will provide us a representation letter attesting to the accuracy and completeness of the financial statements.



FINANCIAL HIGHLIGHTS AND ANALYSIS



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

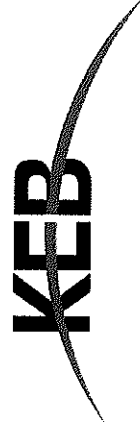
	2017	2016	\$ Variance	% Variance
Revenues				
Taxes	\$ 9,017,452	\$ 8,272,808	\$ 744,644	9.0%
Intergovernmental	2,819,832	2,672,813	147,019	5.5%
Fines and fees	1,662,387	1,621,564	40,823	2.5%
Interest	90,819	87,744	3,075	3.5%
Miscellaneous	709,344	787,147	(77,803)	-9.9%
Licenses and fees	78,664	83,221	(4,557)	-5.5%
Charges for services	1,358,301	1,133,276	225,025	19.9%
Total revenue	<u>15,736,799</u>	<u>14,658,573</u>	<u>1,078,226</u>	<u>7.4%</u>
Expenditures				
General government	4,785,845	5,606,138	(820,293)	-14.6%
Public safety	2,800,385	2,852,411	(52,026)	-1.8%
Health and welfare	2,473,098	2,333,731	139,367	6.0%
Transportation	2,119,284	2,261,477	(142,193)	-6.3%
Judiciary and court related	1,457,310	1,558,662	(101,352)	-6.5%
Capital outlay	203,393	328,310	(124,917)	-38.0%
Total expenses	<u>13,839,315</u>	<u>14,940,729</u>	<u>(1,101,414)</u>	<u>-7.4%</u>
Revenues over (under) expenditure	1,897,484	(282,156)	2,179,640	
Other financing sources (uses)	<u>5,501</u>	<u>16,454</u>	<u>(10,953)</u>	<u>-66.6%</u>
Change in fund balance	1,902,985	(265,702)	2,168,687	
Beginning fund balance	<u>15,174,897</u>	<u>15,440,599</u>	<u>(265,702)</u>	
Ending fund balance	<u>\$ 17,077,882</u>	<u>\$ 15,174,897</u>	<u>1,902,985</u>	<u>12.5%</u>



Condensed Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - By Fund

	General Fund*	Public Health Fund	Coal Royalties Fund	Emergency Telephone System Fund	Nonmajor Governmental Funds	Total Governmental Funds
Total revenues	\$ 6,961,484	\$ 2,192,958	\$ 49,766	\$ 440,063	\$ 6,092,528	\$ 15,736,799
Total expenditures	6,581,508	2,067,226	178,047	376,933	4,635,601	13,839,315
Revenues over (under) expenditures	379,976	125,732	(128,281)	63,130	1,456,927	1,897,484
Total other financing sources (uses)	115,000	-	(75,000)	-	(34,499)	5,501
NET CHANGE IN FUND BALANCE	494,976	125,732	(203,281)	63,130	1,422,428	1,902,985
Fund balances at December 1, 2016	1,114,324	609,587	5,608,127	62,112	7,780,747	15,174,897
Fund balances at November 30, 2017	\$ 1,609,300	\$ 735,319	\$ 5,404,846	\$ 125,242	\$ 9,203,175	\$ 17,077,882
Unassigned fund balance at November 30, 2017	\$ 1,061,449					
Unassigned fund balance as a % of expenditures	16%					

* Includes the following combined funds: General Fund; Revolving Loan Fund; Employees Insurance Fund; Sheriff's Funds; Probate Fund; State's Attorney Fund; GIS Imprest Fund; Coordinated Services Imprest Fund; and Treasurer's Computer Fund.



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Budget to Actual General Fund – Budgetary Basis

Revenues	Budget	Actual	\$ Variance	% Variance
Taxes	\$3,550,550	\$3,687,166	\$ 136,616	3.8%
Investment income	2,800	3,873	1,073	38.3%
Fines, fees and licenses	1,747,699	1,741,051	(6,648)	-0.4%
Other	79,280	127,643	48,363	61.0%
Reimbursed expenditures	687,053	547,558	(139,495)	-20.3%
Total revenues	6,067,382	6,107,291	39,909	0.7%
Expenditures				
General Government	2,577,729	2,615,910	(38,181)	-1.5%
Judiciary and Courts	1,227,832	1,138,228	89,604	7.3%
Public Safety	2,329,594	2,240,236	89,358	3.8%
Total expenditures	6,135,155	5,994,374	140,781	2.3%
Excess of revenues over (under) expenditures	(67,773)	112,917	180,690	-266.6%
Other financing sources	115,000	115,000	-	0.0%
Net change in fund balance	47,227	227,917	180,690	382.6%



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Conclusion

We would like to express our sincere appreciation to the County Board, Elected Officials and all County staff for their cooperation and assistance throughout the audit and for the opportunity to serve Montgomery County, Illinois.



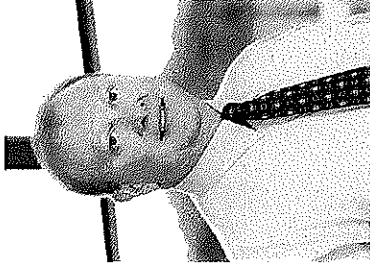
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KEB Audit Team



Rick Gratz, CPA
Engagement Partner



Paul Osborne, CPA
Engagement Partner



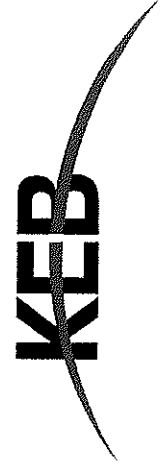
Kali Patterson, CPA
Quality Control Reviewer



Keith Cole Senior
Senior Auditor



Ryan Kochmann
Staff Auditor



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MONTGOMERY COUNTY, ILLINOIS

FINANCIAL STATEMENTS

November 30, 2017

MONTGOMERY COUNTY, ILLINOIS

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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, 2017, 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, 2017, 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 TBD, 2018 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.

MONTGOMERY COUNTY, ILLINOIS

STATEMENT OF NET POSITION - CASH BASIS

November 30, 2017

	<u>Governmental activities</u>
ASSETS	
Cash	\$ 17,007,203
Notes receivable	<u>70,679</u>
Total assets	<u><u>\$ 17,077,882</u></u>
NET POSITION	
Restricted for:	
Employee benefits	\$ 2,054,022
Property and liability insurance	868,662
Public health	1,239,751
Transportation	3,265,696
Public safety	130,742
Judiciary	1,769,544
Unrestricted	<u>7,749,465</u>
Total net position	<u><u>\$ 17,077,882</u></u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

STATEMENT OF ACTIVITIES - CASH BASIS
Year ended November 30, 2017

Function/Program	Expenses	Program revenues		Net (expense) revenue and change in net position
		Charges for services	Operating grants and contributions	
Governmental activities				Total governmental activities
General government	\$ 4,989,238	\$ 528,955	\$ 364,869	\$ (4,095,414)
Public safety	2,800,385	795,332	64,947	(1,940,106)
Health and welfare	2,158,755	455,815	1,284,435	(418,505)
Transportation	2,083,573	-	338,844	(1,744,729)
Judiciary and court-related	1,441,336	1,319,250	400,709	278,623
Total governmental activities	<u>\$ 13,473,287</u>	<u>\$ 3,099,352</u>	<u>\$ 2,453,804</u>	<u>\$ (7,920,131)</u>

General revenues	5,586,263
Taxes	1,715,557
Property	1,075,799
Sales	107,991
Income and replacement	530,219
Real estate transfer	1,623
Motor fuel	90,819
Video gaming	710,057
Investment income	4,788
Other	
Coal royalties	
Total general revenues	<u>9,823,116</u>

CHANGE IN NET POSITION

Net position at December 1, 2016	15,174,897
Net position at November 30, 2017	<u>\$ 17,077,882</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

BALANCE SHEET - CASH BASIS - GOVERNMENTAL FUNDS

November 30, 2017

	General Fund	Public Health Fund	Coal Royalties Fund	Emergency Telephone System Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,538,621	\$ 735,319	\$ 5,354,846	\$ 175,242	\$ 9,203,175	\$ 17,007,203
Notes receivable	70,679	-	-	-	-	70,679
Due from other funds	-	-	50,000	-	-	50,000
Total assets	\$ 1,609,300	\$ 735,319	\$ 5,404,846	\$ 175,242	\$ 9,203,175	\$ 17,127,882
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
FUND BALANCES						
Nonspendable	70,679	-	-	-	-	70,679
Restricted	-	-	-	125,242	9,203,175	9,328,417
Committed	162,665	-	5,404,846	-	-	5,567,511
Assigned	314,507	735,319	-	-	-	1,049,826
Unassigned	1,061,449	-	-	-	-	1,061,449
Total fund balances	1,609,300	735,319	5,404,846	125,242	9,203,175	17,077,882
Total liabilities and fund balances	\$ 1,609,300	\$ 735,319	\$ 5,404,846	\$ 175,242	\$ 9,203,175	\$ 17,127,882

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, 2017**

	General Fund	Public Health Fund	Coal Royalties Fund	Emergency Telephone System Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,687,166	\$ 457,649	\$ -	\$ -	\$ 4,872,637	\$ 9,017,452
Intergovernmental	1,192,089	1,284,435	-	-	343,308	2,819,832
Fines and fees	1,662,387	-	-	-	-	1,662,387
Interest	5,687	3,078	44,978	747	36,329	90,819
Miscellaneous	335,491	14,866	4,788	-	354,199	709,344
Licenses and fees	78,664	-	-	-	-	78,664
Charges for services	-	432,930	-	439,316	486,055	1,358,301
Total revenues	6,961,484	2,192,958	49,766	440,063	6,092,528	15,736,799
Expenditures						
Current						
General government	3,014,776	-	80,020	-	1,691,049	4,785,845
Public safety	2,421,822	-	-	376,933	1,630	2,800,385
Health and welfare	-	2,067,226	-	-	405,872	2,473,098
Transportation	-	-	-	-	2,119,284	2,119,284
Judiciary and court related	1,138,720	-	-	-	318,590	1,457,310
Capital outlay	6,190	-	98,027	-	99,176	203,393
Total expenditures	6,581,508	2,067,226	178,047	376,933	4,635,601	13,839,315
Revenues over (under) expenditures	379,976	125,732	(128,281)	63,130	1,456,927	1,897,484
Other financing sources (uses)						
Transfers in	115,000	-	-	-	-	115,000
Transfers out	-	-	(75,000)	-	(40,000)	(115,000)
Proceeds from sale of assets	-	-	-	-	5,501	5,501
Total other financing sources (uses)	115,000	-	(75,000)	-	(34,499)	5,501
NET CHANGE IN FUND BALANCE	494,976	125,732	(203,281)	63,130	1,422,428	1,902,985
Fund balances at December 1, 2016	1,114,324	609,587	5,608,127	62,112	7,780,747	15,174,897
Fund balances at November 30, 2017	\$ 1,609,300	\$ 735,319	\$ 5,404,846	\$ 125,242	\$ 9,203,175	\$ 17,077,882

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS -
AGENCY FUNDS
November 30, 2017**

ASSETS	
Cash and temporary investments	<u>\$ 1,824,232</u>
LIABILITIES	
Due to others	<u>\$ 1,824,232</u>

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**

Emergency Telephone System Fund

This fund is used to account for the billing of telephone subscribers for an emergency telephone number "911" system and to maintain certain personnel, equipment, and training costs.

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.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

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

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.

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

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.

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 2016 was \$430,346,724.

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 2016 for purposes of local taxation was as follows:

General Corporate	\$0.20158
I.M.R.F.	0.28588
County Highway	0.09923
Bridges	0.04962
Community Mental Health	0.14884
Federal Aid Matching	0.04962
Public Health	0.10000
Liability Insurance	0.12456
Social Security	0.17788
Veteran's Assistance	0.00930
Senior Citizens	<u>0.02500</u>
Total	<u>\$1.27151</u>

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH

At November 30, 2017 the County's deposits were fully insured by federal depository insurance or collateralized with securities held in the County's name.

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, 2017 are as follows:

<u>Transfers in</u>	<u>Transfers out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Coal Royalties Fund</u>	<u>Nonmajor Funds</u>	
General Fund	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 40,000</u>	<u>\$ 115,000</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. 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

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.

MONTGOMERY COUNTY, ILLINOIS**NOTES TO FINANCIAL STATEMENTS**

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 2017 were 10.98% for regular members, 15.01% for SLEP, and 47.14% for ECO. For the year ended November 30, 2017, contributions to the regular plan, SLEP plan and ECO plans were \$543,926, \$133,929 and \$71,253, 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, 2017, are as follows:

	General Fund	Other Major Funds	Nonmajor Governmental Funds	Total
Nonspendable				
Notes receivable	\$ 70,679	\$ -	\$ -	\$ 70,679
Restricted				
Infrastructure repairs and improvements	-	-	3,265,696	3,265,696
Health	-	-	1,239,751	1,239,751
Public safety	-	125,242	5,500	130,742
Court related matters	-	-	1,769,544	1,769,544
Insurance	-	-	868,662	868,662
Employee benefits	-	-	2,054,022	2,054,022
	-	125,242	9,203,175	9,328,417
Committed				
Future capital outlay projects	-	5,404,846	-	5,404,846
Revolving loans	162,665	-	-	162,665
	162,665	5,404,846	-	5,567,511
Assigned				
Health	-	735,319	-	735,319
Insurance	276,873	-	-	276,873
Public safety	35,617	-	-	35,617
Court related matters	1,128	-	-	1,128
Other	889	-	-	889
	314,507	735,319	-	1,049,826
Unassigned				
General government	1,061,449	-	-	1,061,449
	<u>\$ 1,609,300</u>	<u>\$ 6,265,407</u>	<u>\$ 9,203,175</u>	<u>\$ 17,077,882</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, 2017, expenditures exceeded legally adopted budgets as follows:

<u>Fund</u>	<u>Department</u>	<u>Expenditures in excess of budget</u>
General Fund	Building and Grounds	\$ 33,472
General Fund	County Clerk	66
General Fund	Regional Superintendent of Schools	1,402
General Fund	Election	4,887
General Fund	General Administrative	44,659
General Fund	Coordinated Services	551
General Fund	Solid Waste	1,013
General Fund	Recycling	8,916
General Fund	Public Defender	41
General Fund	Animal Control	7,516
Emergency Telephone System	-----	3,086
States Attorney Drug Asset Forfeiture	-----	300
Hotel Operator's	-----	1,083
Veterans Assistance	-----	9,199
County Aid to Bridges	-----	4,557
Animal Control Vanel Estate	-----	8,292
Coroner	-----	1,336
Equipment	-----	20,713
Automation	-----	21,123

MONTGOMERY COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - TAX ABATEMENTS

As of November 30, 2017, the County provides tax abatements on real property located in the Montgomery County Enterprise Zone. County wide tax revenues were reduced by \$135,981 during 2017 as a result of the tax abatement, of which the County's share was \$20,169.

NOTE 10 – LITIGATION

Various claims and lawsuits are pending against the County. In the opinion of the County, the potential loss on all claims and lawsuits, if any, will not be material to the County's financial statements taken as a whole.

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Taxes				
Sales	\$ 1,455,000	\$ 1,455,000	\$ 1,518,429	\$ 63,429
Income	810,000	810,000	824,000	14,000
Replacement	60,000	60,000	55,088	(4,912)
Property	1,121,850	1,121,850	1,180,035	58,185
Real estate transfers	100,000	100,000	107,991	7,991
Video gaming	3,700	3,700	1,623	(2,077)
Total taxes	<u>3,550,550</u>	<u>3,550,550</u>	<u>3,687,166</u>	<u>136,616</u>
Interest, costs and penalties - net	2,800	2,800	3,873	1,073
Fines and fees				
Geographic Information System	107,000	107,000	96,434	(10,566)
Coordinated Services	-	-	650	650
County Clerk	195,000	195,000	153,631	(41,369)
Supervisor of Assessments	10,000	10,000	19,907	9,907
Coroner	5,500	5,500	9,691	4,191
State's Attorney	520,000	520,000	536,383	16,383
Circuit Clerk	230,000	230,000	302,917	72,917
Public Defender	8,000	8,000	7,089	(911)
Sheriff	406,124	406,124	356,016	(50,108)
Host	70,000	70,000	67,032	(2,968)
Recycling	100,000	100,000	112,637	12,637
Total fines and fees	<u>1,651,624</u>	<u>1,651,624</u>	<u>1,662,387</u>	<u>10,763</u>
Licenses and fees				
Liquor and gaming	3,075	3,075	3,150	75
Animal control	93,000	93,000	75,514	(17,486)
Total licenses and fees	<u>96,075</u>	<u>96,075</u>	<u>78,664</u>	<u>(17,411)</u>
Other revenues				
Miscellaneous revenues, refunds and reimbursements from other departments	71,280	71,280	113,996	42,716
Indemnity	8,000	8,000	2,507	(5,493)
Tax sale automation	-	-	11,140	11,140
Total other revenues	<u>79,280</u>	<u>79,280</u>	<u>127,643</u>	<u>48,363</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, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Reimbursed Expenditures				
Help Americans Vote Act	\$ 6,111	\$ 6,111	\$ -	\$ (6,111)
Sheriff reimbursements	27,644	27,644	17,804	(9,840)
Supervisor of Assessments	30,349	30,349	30,327	(22)
Election judges	6,120	6,120	11,790	5,670
State's Attorney, assistants and violent crime	164,652	164,652	145,077	(19,575)
Probation	235,439	235,439	155,737	(79,702)
Ambulance	77,049	77,049	47,143	(29,906)
Public defender	99,905	99,905	99,895	(10)
Safety grants	39,784	39,784	39,785	1
Total reimbursed expenditures	687,053	687,053	547,558	(139,495)
Total revenues	6,067,382	6,067,382	6,107,291	39,909
Expenditures				
General Government				
Building and Grounds				
Salaries	44,000	44,000	40,145	3,855
Other	244,350	244,350	281,677	(37,327)
Total building and grounds	288,350	288,350	321,822	(33,472)
County Clerk				
Salaries	169,713	169,713	168,914	799
Other	9,850	9,850	10,715	(865)
Total County Clerk	179,563	179,563	179,629	(66)
Treasurer				
Salaries	186,783	186,783	187,394	(611)
Other	7,000	7,000	6,388	612
Total Treasurer	193,783	193,783	193,782	1
Coroner				
Salaries	38,647	38,647	39,747	(1,100)
Other	58,100	58,100	33,227	24,873
Total Coroner	96,747	96,747	72,974	23,773
Regional Superintendent of Schools				
Salaries	30,794	30,794	30,794	-
Other	14,581	14,581	15,983	(1,402)
Total Regional Superintendent of Schools	45,375	45,375	46,777	(1,402)

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Supervisor of Assessments				
Salaries	\$ 170,660	\$ 170,660	\$ 170,636	\$ 24
Other	27,600	27,600	14,893	12,707
Total Supervisor of Assessments	<u>198,260</u>	<u>198,260</u>	<u>185,529</u>	<u>12,731</u>
Board of Review				
Salaries	25,394	25,394	23,294	2,100
Other	2,350	2,350	395	1,955
Total Board of Review	<u>27,744</u>	<u>27,744</u>	<u>23,689</u>	<u>4,055</u>
County Board Office				
Salary - County Board Chairman	6,000	6,000	5,000	1,000
Other	84,450	84,450	73,997	10,453
Total County Board Office	<u>90,450</u>	<u>90,450</u>	<u>78,997</u>	<u>11,453</u>
Information System				
Salaries	90,000	90,000	90,846	(846)
Other	34,750	34,750	31,740	3,010
Total Information System	<u>124,750</u>	<u>124,750</u>	<u>122,586</u>	<u>2,164</u>
Election				
Salaries	6,050	6,050	5,612	438
Other	80,100	80,100	85,425	(5,325)
Total Election	<u>86,150</u>	<u>86,150</u>	<u>91,037</u>	<u>(4,887)</u>
Economic and Infrastructure Development				
Trail maintenance	15,200	15,200	15,000	200
Total Economic and Infrastructure Development	<u>15,200</u>	<u>15,200</u>	<u>15,000</u>	<u>200</u>
General Administrative				
Other	868,822	868,822	913,481	(44,659)
Fayco Grant	24,000	24,000	24,000	-
Total General Administrative	<u>892,822</u>	<u>892,822</u>	<u>937,481</u>	<u>(44,659)</u>
Geographic Information System				
Salaries	33,001	33,001	32,112	889
Other	23,170	23,170	15,551	7,619
Capital outlay	-	-	6,100	(6,100)
Total Geographic Information System	<u>56,171</u>	<u>56,171</u>	<u>53,763</u>	<u>2,408</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, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Coordinated Services				
Salaries	\$ 55,967	\$ 55,967	\$ 57,122	\$ (1,155)
Other	4,950	4,950	4,346	604
Total Coordinated Services	<u>60,917</u>	<u>60,917</u>	<u>61,468</u>	<u>(551)</u>
Solid Waste				
Salaries	41,308	41,308	42,102	(794)
Other	2,500	2,500	2,719	(219)
Total Solid Waste	<u>43,808</u>	<u>43,808</u>	<u>44,821</u>	<u>(1,013)</u>
Recycling				
Salaries	137,824	137,824	139,637	(1,813)
Other	39,815	39,815	46,918	(7,103)
Total Recycling	<u>177,639</u>	<u>177,639</u>	<u>186,555</u>	<u>(8,916)</u>
Total General Government	2,577,729	2,577,729	2,615,910	(38,181)
Judiciary and Court-Related				
Montgomery County Judge's Office				
Judge's Office	3,450	3,450	2,253	1,197
Total Montgomery County Judge's Office	<u>3,450</u>	<u>3,450</u>	<u>2,253</u>	<u>1,197</u>
State's Attorney Office				
Salaries	329,213	329,213	292,974	36,239
Other	41,975	41,975	23,242	18,733
Total State's Attorney Office	<u>371,188</u>	<u>371,188</u>	<u>316,216</u>	<u>54,972</u>
Circuit Clerk's Office				
Salaries	230,583	230,583	227,989	2,594
Other	10,000	10,000	7,615	2,385
Total Circuit Clerk's Office	<u>240,583</u>	<u>240,583</u>	<u>235,604</u>	<u>4,979</u>
Probation Office				
Salaries	275,302	275,302	278,885	(3,583)
Other	37,350	37,350	27,867	9,483
Total Probation Office	<u>312,652</u>	<u>312,652</u>	<u>306,752</u>	<u>5,900</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, 2017

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Public Defender				
Salaries	\$ 171,884	\$ 171,884	\$ 171,884	\$ -
Other	3,575	3,575	3,616	(41)
Total Public Defender	175,459	175,459	175,500	(41)
Jury and Jurors				
Other	10,500	10,500	5,842	4,658
Total Jury and Jurors	10,500	10,500	5,842	4,658
Court Appointed				
Other	114,000	114,000	96,061	17,939
Total Court Appointed	114,000	114,000	96,061	17,939
Total Judiciary and Court-Related	1,227,832	1,227,832	1,138,228	89,604
Public Safety				
Sheriff				
Salaries	1,865,044	1,865,044	1,811,808	53,236
Other	315,900	315,900	278,847	37,053
Capital outlay	-	-	-	-
Total Sheriff	2,180,944	2,180,944	2,090,655	90,289
Ambulance				
Salaries	44,532	44,532	46,033	(1,501)
Other	14,125	14,125	6,039	8,086
Total Ambulance	58,657	58,657	52,072	6,585
Animal Control				
Salaries	70,928	70,928	70,880	48
Other	19,065	19,065	26,539	(7,474)
Capital outlay	-	-	90	(90)
Total Animal Control	89,993	89,993	97,509	(7,516)
Total Public Safety	2,329,594	2,329,594	2,240,236	89,358

MONTGOMERY COUNTY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended November 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Favorable (Unfavorable)
Total expenditures	<u>\$ 6,135,155</u>	<u>\$ 6,135,155</u>	<u>\$ 5,994,374</u>	<u>\$ 140,781</u>
Excess (deficiency) of revenues over expenditures	(67,773)	(67,773)	112,917	180,690
Other financing sources (uses)				
Transfers in	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 47,227</u>	<u>\$ 47,227</u>	<u>227,917</u>	<u>\$ 180,690</u>
Fund balance at December 1, 2016			<u>833,532</u>	
Fund balance at November 30, 2017			<u>\$ 1,061,449</u>	
Budgetary basis fund balance			\$ 1,061,449	
Adjustments to reconcile the cash basis and budgetary basis statements:				
Other funds combined with General Fund for GAAP reporting				
Revolving Loan Fund			233,344	
Employees Insurance Fund			276,873	
Sheriff's Funds			35,617	
Probation Fund			732	
State's Attorney Fund			396	
Supervisors of Assessments Imprest Fund			242	
Coordinated Services Fund			143	
Treasurer's Computer Fund			<u>504</u>	
Cash basis fund balance			<u>\$ 1,609,300</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Replacement taxes	\$ 30,000	\$ 30,000	\$ 27,238	\$ (2,762)
Property taxes	472,000	472,000	556,161	84,161
Intergovernmental	1,984,449	1,984,449	1,290,435	(694,014)
Fees	153,500	153,500	301,180	147,680
Interest	2,000	2,000	3,078	1,078
Miscellaneous	5,000	5,000	14,866	9,866
Total revenues	<u>2,646,949</u>	<u>2,646,949</u>	<u>2,192,958</u>	<u>(453,991)</u>
Expenditures				
Current				
Health and welfare	<u>2,613,024</u>	<u>2,613,024</u>	<u>2,067,226</u>	<u>545,798</u>
Net change in fund balance	<u>\$ 33,925</u>	<u>\$ 33,925</u>	<u>125,732</u>	<u>\$ 91,807</u>
Fund balance at December 1, 2016			<u>609,587</u>	
Fund balance at November 30, 2017			<u>\$ 735,319</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, 2017**

	Original Budget	Final Budget	Actual	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Coal royalties	\$ -	\$ -	\$ 4,788	\$ 4,788
Interest	15,000	15,000	44,978	29,978
Total revenues	15,000	15,000	49,766	34,766
Expenditures				
Current				
General government	250,000	250,000	80,020	169,980
Capital outlay	50,000	50,000	98,027	(48,027)
Total expenditures	300,000	300,000	178,047	121,953
Revenues over (under) expenditures	(285,000)	(285,000)	(128,281)	156,719
Other financing uses				
Transfers out	(75,000)	(75,000)	(75,000)	-
Net change in fund balance	\$ (360,000)	\$ (360,000)	(203,281)	\$ 156,719
Fund balance at December 1, 2016			5,608,127	
Fund balance at November 30, 2017			\$ 5,404,846	

See notes to supplementary information.

MONTGOMERY COUNTY, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
EMERGENCY TELEPHONE SYSTEM FUND - UNAUDITED
Year ended November 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget - Favorable (Unfavorable)
Revenues				
Fees	\$ 374,000	\$ 374,000	\$ 439,316	\$ 65,316
Interest	50	50	747	697
Total revenues	374,050	374,050	440,063	66,013
Expenditures				
Current				
Public safety	<u>373,847</u>	<u>373,847</u>	<u>376,933</u>	<u>(3,086)</u>
Net change in fund balance	<u>\$ 203</u>	<u>\$ 203</u>	63,130	<u>\$ 62,927</u>
Fund balance at December 1, 2016			<u>62,112</u>	
Fund balance at November 30, 2017			<u>\$ 125,242</u>	

See notes to supplementary information.

MONTGOMERY COUNTY, ILLINOIS**NOTES TO BUDGETARY COMPARISON 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 Board 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 a new 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 - CASH BASIS - GENERAL FUND

November 30, 2017

	General Fund	Revolving Loan Fund	Employees Insurance Fund	Sheriff's Funds	Probation Fund	State's Attorney Fund	Supervisor of Assessments Imprest Fund	Coordinated Services Imprest Fund	Treasurer's Computer Fund	Total General Fund
ASSETS										
Cash	\$ 1,061,449	\$ 162,665	\$ 276,873	\$ 35,617	\$ 732	\$ 396	\$ 242	\$ 143	\$ 504	\$ 1,538,621
Notes receivables	-	70,679	-	-	-	-	-	-	-	70,679
Total assets	\$ 1,061,449	\$ 233,344	\$ 276,873	\$ 35,617	\$ 732	\$ 396	\$ 242	\$ 143	\$ 504	\$ 1,609,300
FUND BALANCES										
Nonspendable	\$ -	\$ 70,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,679
Committed	-	162,665	-	-	-	-	-	-	-	162,665
Assigned	-	-	276,873	35,617	732	396	242	143	504	314,507
Unassigned	1,061,449	-	-	-	-	-	-	-	-	1,061,449
Total fund balances	\$ 1,061,449	\$ 233,344	\$ 276,873	\$ 35,617	\$ 732	\$ 396	\$ 242	\$ 143	\$ 504	\$ 1,609,300

MONTGOMERY COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS - GENERAL FUND

Year ended November 30, 2017

	General Fund	Revolving Loan Fund	Employees Insurance Fund	Sheriffs Funds	Probation Fund	State's Attorney Fund	Supervisor of Assessments Imprest Fund	Coordinated Services Imprest Fund	Treasurer's Computer Fund	Eliminations	Total General Fund
Revenues											
Taxes	\$ 3,687,166	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,687,166
Intergovernmental	547,558	-	1,208,850	-	-	-	-	-	-	(564,319)	1,192,089
Fines and fees	1,662,387	-	-	-	-	-	-	-	-	-	1,662,387
Interest	3,873	765	1,049	-	-	-	-	-	-	-	5,687
Miscellaneous	127,643	-	-	203,523	367	-	1,128	2,059	771	-	535,491
Licenses and fees	78,664	-	-	-	-	-	-	-	-	-	78,664
Total revenues	6,107,291	765	1,209,899	203,523	367	-	1,128	2,059	771	(564,319)	6,961,484
Expenditures											
Current											
General government	2,609,810	-	965,002	-	-	-	886	2,630	767	(564,319)	3,014,776
Public safety	2,240,146	-	-	181,676	-	-	-	-	-	-	2,421,822
Judiciary and court related	1,138,228	-	-	-	488	4	-	-	-	-	1,138,720
Capital outlay	6,190	-	-	-	-	-	-	-	-	-	6,190
Total expenditures	5,994,374	-	965,002	181,676	488	4	886	2,630	767	(564,319)	6,581,508
Revenues over (under) expenditures	112,917	765	244,897	21,847	(121)	(4)	242	(571)	4	-	379,976
Other financing sources											
Transfers in	115,000	-	-	-	-	-	-	-	-	-	115,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	115,000	-	-	-	-	-	-	-	-	-	115,000
NET CHANGE IN FUND BALANCE	227,917	765	244,897	21,847	(121)	(4)	242	(571)	4	-	494,976
Fund balances at December 1, 2016	833,532	232,579	31,976	13,770	853	400	-	714	500	-	1,114,324
Fund balances at November 30, 2017	\$ 1,061,449	\$ 233,344	\$ 276,873	\$ 35,617	\$ 732	\$ 396	\$ 242	\$ 143	\$ 504	\$ -	\$ 1,609,300

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2017

	Special Revenue Funds						
	IMRF Fund	Social Security Fund	Senior Citizens Fund	Property & Liability Insurance Fund	Drug Asset Forfeiture Fund	Hotel Operators Fund	Veterans Assistance Fund
ASSETS							
Cash	\$ 1,387,820	\$ 666,202	\$ 115,890	\$ 868,662	\$ 5,500	\$ 32,780	\$ 222,981
FUND BALANCES							
Restricted	\$ 1,387,820	\$ 666,202	\$ 115,890	\$ 868,662	\$ 5,500	\$ 32,780	\$ 222,981

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2017

	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	\$ 430,289	\$ 97,395	\$ 142,183	\$ 863,483	\$ 350,849	\$ 405,006	\$ 4,448	\$ 545,931
FUND BALANCES								
Restricted	\$ 430,289	\$ 97,395	\$ 142,183	\$ 863,483	\$ 350,849	\$ 405,006	\$ 4,448	\$ 545,931

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2017

		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	\$	41,904	148,609	4,932	156,601	5,403	141,167	43,885	117,571	17,337
FUND BALANCES										
Restricted	\$	41,904	148,609	4,932	156,601	5,403	141,167	43,885	117,571	17,337

MONTGOMERY COUNTY, ILLINOIS

COMBINING BALANCE SHEET - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS

November 30, 2017

	Special Revenue Funds										
	Automation Fund	County Drug Fund	Law Library Fund	Drug Test Fund	County Motor Fuel Tax Fund	Federal Aid Matching	Mental Health Board Fund	Capital Projects Funds Equipment Fund	Total Nonmajor Governmental Fund		
ASSETS											
Cash	\$ 320,614	\$ 8,152	\$ 42,568	\$ 8,828	\$ 333,108	\$ 1,114,637	\$ 313,045	\$ 245,395	\$ 9,203,175		
FUND BALANCES											
Restricted	\$ 320,614	\$ 8,152	\$ 42,568	\$ 8,828	\$ 333,108	\$ 1,114,637	\$ 313,045	\$ 245,395	\$ 9,203,175		

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2017**

	Special Revenue Funds							
	IMRF Fund	Social Security Fund	Senior Citizens Fund	Property & Liability Insurance Fund	Drug Asset Forfeiture Fund	Hotel Operators Fund	Veterans Assistance Fund	
Revenues								
Taxes	\$ 1,303,142	\$ 807,216	\$ 107,560	\$ 535,895	\$ -	\$ -	\$ 40,011	
Intergovernmental	1,731	2,486	-	247	-	-	-	
Charges for services	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	1,923	23,329	-	
Interest	4,407	1,851	242	2,604	17	109	1,056	
Total revenues	1,309,280	811,553	107,802	538,746	1,940	23,438	41,067	
Expenditures								
Current								
General government	755,249	474,847	84,387	342,151	2,500	3,583	-	
Public safety	-	-	-	-	-	-	-	
Health and welfare	-	-	-	-	-	-	68,368	
Transportation	-	-	-	-	-	-	-	
Judiciary and court-related	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	
Total expenditures	755,249	474,847	84,387	342,151	2,500	3,583	68,368	
Revenues over (under) expenditures	554,031	336,706	23,415	196,595	(560)	19,855	(27,301)	
Other financing sources (uses)								
Sale of equipment	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	-	-	-	
NET CHANGE IN FUND BALANCE	554,031	336,706	23,415	196,595	(560)	19,855	(27,301)	
Fund balances at December 1, 2016	833,789	329,496	92,475	672,067	6,060	12,925	250,282	
Fund balances at November 30, 2017	\$ 1,387,820	\$ 666,202	\$ 115,890	\$ 868,662	\$ 5,500	\$ 32,780	\$ 222,981	

MONTGOMERY COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2017

	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								
Taxes	\$ 454,099	-	\$ -	\$ 227,068	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	88,573	180,363	-	-
Miscellaneous	81,702	-	28,172	69,865	-	-	3,940	-
Interest	1,486	491	661	4,029	1,516	1,594	14	2,573
Total revenues	537,287	491	28,833	300,962	90,089	181,957	3,954	2,573
Expenditures								
Current								
General government	-	-	-	-	-	-	2,847	25,485
Public safety	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Transportation	539,649	-	-	504,457	-	-	-	-
Judiciary and court-related	-	-	33,516	-	41,793	64,545	-	-
Capital outlay	-	-	-	-	-	-	-	7,007
Total expenditures	539,649	-	33,516	504,457	41,793	64,545	2,847	32,492
Revenues over (under) expenditures	(2,362)	491	(4,683)	(203,495)	48,296	117,412	1,107	(29,919)
Other financing sources (uses)								
Sale of equipment	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(2,362)	491	(4,683)	(203,495)	48,296	117,412	1,107	(29,919)
Fund balances at December 1, 2016	432,651	96,904	146,866	1,066,978	302,553	287,594	3,341	575,850
Fund balances at November 30, 2017	\$ 430,289	\$ 97,395	\$ 142,183	\$ 863,483	\$ 350,849	\$ 405,006	\$ 4,448	\$ 545,931

MONTGOMERY COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2017

	Special Revenue Funds										State's Attorney Automation Fund	
	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				
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	338,844	-	-	-	-	-	-	-	-	-	-
Charges for services	13,194	-	5,635	45,652	398	18,543	7,101	40,316	5,526	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Interest	204	531	43	692	24	664	196	607	71	-	-	-
Total revenues	13,398	339,375	5,678	46,344	422	19,207	7,297	40,923	5,597	-	-	-
Expenditures												
Current												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	9,336	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	199,935	-	-	-	-	-	-	-	-	-	-
Judiciary and court-related	-	-	17,027	16,259	-	23,888	2,906	23,769	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	9,336	199,935	17,027	16,259	-	23,888	2,906	23,769	-	-	-	-
Revenues over (under) expenditures	4,062	139,440	(11,349)	30,085	422	(4,681)	4,391	17,154	5,597	-	-	-
Other financing sources (uses)												
Sale of equipment	-	-	-	-	-	-	-	(40,000)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(40,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(40,000)	-	-	-	-
NET CHANGE IN FUND BALANCE	4,062	139,440	(11,349)	30,085	422	(4,681)	4,391	(22,846)	5,597	-	-	-
Fund balances at December 1, 2016	37,842	9,169	16,281	126,516	4,981	145,848	39,494	140,417	11,740	-	-	-
Fund balances at November 30, 2017	\$ 41,904	\$ 148,609	\$ 4,932	\$ 156,601	\$ 5,403	\$ 141,167	\$ 43,885	\$ 117,571	\$ 17,337	\$ -	\$ -	\$ -

MONTGOMERY COUNTY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CASH BASIS - NONMAJOR GOVERNMENTAL FUNDS
Year ended November 30, 2017

	Special Revenue Funds										Total Nonmajor Governmental Funds	
	Automation Fund	County Drug Fund	Law Library Fund	Drug Test Fund	County Motor Fuel Tax Fund	Federal Aid Matching	Mental Health Board Fund	Capital Project Funds Equipment Fund				
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 530,219	\$ 227,068	\$ 640,359	\$ -	\$ -	\$ 4,872,637		
Intergovernmental	-	-	-	-	-	-	-	-	-	343,308		
Charges for services	45,695	-	17,932	17,127	-	-	-	-	-	486,055		
Miscellaneous	-	375	-	-	-	60,606	-	84,287	-	354,199		
Interest	1,428	39	192	47	2,437	4,579	854	1,071	-	36,329		
Total revenues	47,123	414	18,124	17,174	532,656	292,253	641,213	85,358		6,092,528		
Expenditures												
Current												
General government	-	-	-	-	-	-	-	-	-	1,691,049		
Public safety	-	1,630	-	-	-	-	-	-	-	1,630		
Health and welfare	-	-	-	-	-	-	328,168	-	-	405,872		
Transportation	-	-	-	-	671,737	134,362	-	69,144	-	2,119,284		
Judiciary and court-related	56,123	-	17,041	21,723	-	-	-	-	-	318,590		
Capital outlay	-	-	-	-	-	-	-	92,169	-	99,176		
Total expenditures	56,123	1,630	17,041	21,723	671,737	134,362	328,168	161,313	(75,955)	4,635,601		
Revenues over (under) expenditures	(9,000)	(1,216)	1,083	(4,549)	(139,081)	157,891	313,045			1,456,927		
Other financing sources (uses)												
Sale of equipment	-	-	-	-	-	-	-	5,501	-	5,501		
Transfers out	-	-	-	-	-	-	-	-	-	(40,000)		
Total other financing sources (uses)	-	-	-	-	-	-	-	5,501	-	(34,499)		
NET CHANGE IN FUND BALANCE	(9,000)	(1,216)	1,083	(4,549)	(139,081)	157,891	313,045	(70,454)		1,422,428		
Fund balances at December 1, 2016	329,614	9,368	41,485	13,377	472,189	956,746	-	315,849		7,780,747		
Fund balances at November 30, 2017	\$ 320,614	\$ 8,152	\$ 42,568	\$ 8,828	\$ 333,108	\$ 1,114,637	\$ 313,045	\$ 245,395		\$ 9,203,175		

MONTGOMERY COUNTY, ILLINOIS

**COMBINING STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
AGENCY FUNDS
November 30, 2017**

	Circuit Clerk's Fund	County Clerk's Fund	Ambulance District and Civil Defense Funds	Commissary Fund	Township Motor Fuel Tax Fund	County Treasurer's Other Funds	Total
Assets							
Cash and temporary investments	\$ 520,304	\$ 76,334	\$ 108,677	\$ 87,325	\$ 580,588	\$ 451,004	\$ 1,824,232
	<u>\$ 520,304</u>	<u>\$ 76,334</u>	<u>\$ 108,677</u>	<u>\$ 87,325</u>	<u>\$ 580,588</u>	<u>\$ 451,004</u>	<u>\$ 1,824,232</u>
Liabilities							
Due to others							

MONTGOMERY COUNTY, ILLINOIS

**CIRCUIT CLERK'S FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
Year ended November 30, 2017**

	<u>Balance December 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2017</u>
Assets				
Cash and temporary investments	<u>\$ 603,681</u>	<u>\$ 2,384,026</u>	<u>\$ 2,467,403</u>	<u>\$ 520,304</u>
Liabilities				
Due to others	<u>\$ 603,681</u>	<u>\$ 2,384,026</u>	<u>\$ 2,467,403</u>	<u>\$ 520,304</u>

MONTGOMERY COUNTY, ILLINOIS

**COUNTY CLERK'S FUND STATEMENT OF
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
Year ended November 30, 2017**

	<u>Balance December 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2017</u>
Assets				
Cash	<u>\$ 160,679</u>	<u>\$ 1,197,004</u>	<u>\$ 1,281,349</u>	<u>\$ 76,334</u>
Liabilities				
Due to others	<u>\$ 160,679</u>	<u>\$ 1,197,004</u>	<u>\$ 1,281,349</u>	<u>\$ 76,334</u>

MONTGOMERY COUNTY, ILLINOIS

**AMBULANCE DISTRICTS AND CIVIL DEFENSE FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
Year ended November 30, 2017**

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
Assets				
Cash	\$ 93,905	\$ 1,692,991	\$ 1,678,219	\$ 108,677
Liabilities				
Due to others	\$ 93,905	\$ 1,692,991	\$ 1,678,219	\$ 108,677

MONTGOMERY COUNTY, ILLINOIS

**COMMISSARY FUNDS STATEMENT OF
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
Year ended November 30, 2017**

	<u>Balance December 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2017</u>
Assets				
Cash	<u>\$ 78,641</u>	<u>\$ 630,968</u>	<u>\$ 622,284</u>	<u>\$ 87,325</u>
Liabilities				
Due to others	<u>\$ 78,641</u>	<u>\$ 630,968</u>	<u>\$ 622,284</u>	<u>\$ 87,325</u>

MONTGOMERY COUNTY, ILLINOIS

TOWNSHIP MOTOR FUEL TAX FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS

Year ended November 30, 2017

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
Assets				
Cash	<u>\$ 647,428</u>	<u>\$ 1,358,911</u>	<u>\$ 1,425,751</u>	<u>\$ 580,588</u>
Liabilities				
Due to others	<u>\$ 647,428</u>	<u>\$ 1,358,911</u>	<u>\$ 1,425,751</u>	<u>\$ 580,588</u>

MONTGOMERY COUNTY, ILLINOIS

**COUNTY TREASURER'S OTHER FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
Year ended November 30, 2017**

	Balance December 1, 2016	Additions	Deductions	Balance November 30, 2017
Drainage District Funds				
Assets				
Cash	\$ 346,170	\$ 92,513	\$ 73,245	\$ 365,438
Liabilities				
Due to drainage districts	\$ 346,170	\$ 92,513	\$ 73,245	\$ 365,438
Trustee Auction Escrow				
Assets				
Cash	\$ 21,398	\$ 60,847	\$ 80,031	\$ 2,214
Liabilities				
Due to others	\$ 21,398	\$ 60,847	\$ 80,031	\$ 2,214
County Treasurer Escheats Fund				
Assets				
Cash	\$ 79,527	\$ 2,528	\$ -	\$ 82,055
Liabilities				
Due to others	\$ 79,527	\$ 2,528	\$ -	\$ 82,055
Collectors Funds				
Assets				
Cash	\$ 1,340	\$ 39,750,384	\$ 39,750,427	\$ 1,297
Liabilities				
Due to taxing bodies	\$ 1,340	\$ 39,750,384	\$ 39,750,427	\$ 1,297
Total County Treasurer's Funds				
Assets				
Cash	\$ 448,435	\$ 39,906,272	\$ 39,903,703	\$ 451,004
Liabilities				
Due to others	\$ 448,435	\$ 39,906,272	\$ 39,903,703	\$ 451,004

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MONTGOMERY COUNTY, ILLINOIS
REPORT TO THE MONTGOMERY COUNTY BOARD

November 30, 2017

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, 2017. 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 January 18, 2018. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2017.

We noted no transactions entered into by Montgomery County, Illinois 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. No misstatements were detected as a result of audit procedures.

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 TBD.

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 Montgomery County'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 Montgomery County'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 the 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 information and 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.

St. Louis, Missouri
TBD

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, 2017, 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 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.

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 TBD contains our communication of significant deficiencies and material weaknesses in the Montgomery County, Illinois' internal control. This letter does not affect our report dated TBD 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.

St. Louis, Missouri
TBD

MEMORANDUM OF ADVISORY COMMENTS

Budgetary Controls

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

Develop an Accounting Procedures Manual

Currently, the County does not have an accounting procedures manual. Written procedures, instructions, and assignments of duties may help prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by the Board and other County stakeholders. A good accounting manual should also aid in the training of new employees and possibly allow for delegation to other employees.

In the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, the County might discover procedures that can be eliminated or improved to make the system more efficient and effective.

We recognize that the preparation of the manual will be a very time-consuming task. However, we believe that action should be taken by the County to establish priorities and provide a timetable for the completion of the manual.

Statement of Economic Interest

Elected and appointed officials are required by Illinois statute to file a Statement of Economic Interest. During our audit, a few Statements could not be located. We recommend all Statements of Economic interest be retained by the County for public inspection.

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.

DRAFT

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

Year Ended November 30, 2017

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, 2017, and the related notes to the financial statements which collectively comprise Montgomery County, Illinois' basic financial statements and have issued our report thereon dated TBD. 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.

Litchfield, Illinois
TBD

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, 2017. 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, 2017.

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, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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, 2017, and the related notes to the financial statements, which collectively comprise Montgomery County, Illinois' basic financial statements. We issued our report thereon dated TBD. 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.

Litchfield, Illinois
TBD

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended November 30, 2017

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			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children			
WIC Suppl Food Program	10.557	FCSVQ00836	\$ 69,571
WIC Suppl Food Program - Breastfeeding	10.557	FCSVQ01187	11,411
WIC Suppl Food Program	10.557	FCSWQ00836	47,220
WIC Suppl Food Program - Breastfeeding	10.557	FCSWQ01187	5,434
WIC Suppl Food Voucher (non-cash)	10.557		<u>263,180</u>
Total U.S. Department of Agriculture			396,816
U.S. Department of Health and Human Services			
Passed-through Area Agency on Aging for Lincolnland			
Special Programs for the Aging, Title VII Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	MT02-17/18	3,000
Special Programs for the Aging, Title III, Part B Programs for Supportive Services for Senior Citizens	93.044	IA02-17/18	24,538
National Family Caregiver Support Title III, Part E	93.052	AA02-17/18	3,501
Passed-through Illinois Department of Public Health			
Public Health Emergency Preparedness (PHEP) Program	93.074	77180065E	25,779
Public Health Emergency Preparedness (PHEP) Program	93.074	87180065F	17,497
Total Public Health Emergency Preparedness (PHEP) Program			<u>43,276</u>
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.752	76180020E	158,968
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	86180019F	82,015
Passed-through Illinois Department of Human Services			
Prevention and Treatment of Substance Abuse Block Grant	93.959	FCSV01386	41,514
Prevention and Treatment of Substance Abuse Block Grant	93.959	43CVC03074	8,338
Prevention and Treatment of Substance Abuse Block Grant	93.959	43CWZ03259	28,382
Prevention and Treatment of Substance Abuse Block Grant	93.959	43CWC03074	6,797
Total Prevention and Treatment of Substance Abuse Block Grant			<u>85,031</u>
Passed through Illinois Department of Healthcare and Family Services			
Child Support Enforcement	93.563	IV-D-14/15	4,250
Child Support Enforcement	93.563	IV-D-15/16	3,506
Child Support Enforcement	93.563	IV-D-16/17	3,871
Total Child Support Enforcement			<u>11,627</u>
Total U.S. Department of Health and Human Services			170,973
U.S. Department of Homeland Security			
Passed-through Illinois Emergency Management Agency			
Emergency Management Performance Grants	97.042	16EMAMONT2	7,490
Total U.S. Department of Homeland Security			<u>7,490</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 816,262</u></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, 2017. 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

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

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance? No

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.

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

There were no findings related to the major federal award program audit.

MONTGOMERY COUNTY, ILLINOIS

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2016-001

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.

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.

Current Status: This recommendation has been implemented.