

MONTGOMERY COUNTY, ILLINOIS

Annual Financial Report

November 30, 2012

PATTON & COMPANY, P.C.

Certified Public Accountants

MONTGOMERY COUNTY, ILLINOIS

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MONTGOMERY COUNTY, ILLINOIS

Elected Officials and Board Members

November 30, 2012

ELECTED OFFICIALS:

Coroner, Rick Broaddus

Treasurer, Ron Jenkins

County Clerk, Sandy Leitheiser

Circuit Clerk, Holly Lemons

State's Attorney, Christopher Matoush

Sheriff, Jim Vazzi

COUNTY BOARD MEMBERS:

Nikki Bishop

Edward Helgen

Mary Bathurst

Gene Miles

George Blankenship

Jim Moore

Terry Bone, Vice-Chairman

Frank Komor

Bonnie Branum

Roy Hertel

Ronald Deabenderfer

Sharon Kuchar

Jarod Hitchings

Dennis Williams

Robert Durbin

Mike Plunkett, Chairman

Connie Beck

Scott Merano

Richard Wendel

Chuck Graden

Joe Gasparich

PATTON & COMPANY, P.C.

Certified Public Accountants

R.M. Patton
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Kyle L. Putnam

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INDEPENDENT AUDITOR'S REPORT

Montgomery County Board
Montgomery County, Illinois
Hillsboro, Illinois:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of and for the year ended November 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, except for the matter discussed in the above paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Illinois, as of November 30, 2012, and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, 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* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County, Illinois', financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, are presented for the purposes of additional analysis and are 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 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 combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Patton & Company, P.C.
Patton & Company, P.C.
Hillsboro, Illinois

April 5, 2013

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2012

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

Financial Highlights

- The assets of Montgomery County exceeded its liabilities at the close of the most recent fiscal year by \$24,956,291 (net assets). Of this amount, \$2,039,308 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Government-wide, Montgomery County had \$16,146,637 in expenses. These were offset with \$2,935,984 of charges for services (user fees) and \$4,268,962 of intergovernmental revenues. This left a balance of \$8,941,691 in expenses to be covered by general revenue sources. General revenues including property taxes, sales taxes, income taxes, and other income sources were \$8,463,357 government-wide.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$2,364,391 or 28% of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

Government-wide Financial Statements

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

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2013

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

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

Fund Financial Statements

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

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

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

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

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

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

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2012

Government-wide Financial Analysis

Statement of Net Assets: Net assets may serve over time as a useful indicator of a government's financial position. In the case of Montgomery County, assets exceeded liabilities by \$24,956,291 as of November 30, 2012.

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

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Assets:		
Current assets	\$ 10,392,885	\$ 12,493,913
Capital assets	<u>16,009,251</u>	<u>14,209,091</u>
Total assets	<u>26,402,136</u>	<u>26,703,004</u>
Liabilities:		
Current liabilities	1,145,845	997,379
Other liabilities	<u>300,000</u>	<u>271,000</u>
Total liabilities	<u>1,445,845</u>	<u>1,268,379</u>
Net assets:		
Invested in capital assets, net of related debt	16,009,251	14,209,091
Restricted, committed, assigned	6,907,732	3,436,670
Unrestricted	<u>2,039,308</u>	<u>7,788,864</u>
Total net assets	<u>\$ 24,956,291</u>	<u>\$ 25,434,625</u>

Current Year Impacts

The County's combined net assets (which is the County's bottom line) decreased \$478,334 to \$24,956,291 from \$25,434,625 as a result of the Governmental Activities. The County's unrestricted net assets for Governmental Activities, the part of net assets that can be used to finance day to day operations, is \$2,039,308.

MONTGOMERY COUNTY, ILLINOIS

**Management's Discussion and Analysis
November 30, 2012**

Governmental activities decreased the net assets by \$478,334. Key elements of the decrease are as follows:

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for service	\$ 2,935,984	\$ 2,898,369
Operating grants and contributions	3,081,753	3,439,489
Capital grants and contributions	1,187,209	48,767
General revenues:		
Property taxes	3,911,439	3,767,702
Sales taxes	1,285,790	1,022,170
Income and replacement taxes	925,609	1,031,902
Inheritance and real estate transfer tax	231,030	195,643
Motor fuel tax	677,221	722,077
Investment income	55,256	183,936
Other revenue	<u>1,377,012</u>	<u>616,315</u>
Total revenues	<u>15,668,303</u>	<u>13,926,370</u>
Expenses:		
General government	5,537,312	5,496,938
Judiciary and court related	1,918,102	1,913,350
Public safety	3,155,881	2,993,576
Public health and welfare	2,967,134	2,951,582
Transportation	<u>2,568,208</u>	<u>2,880,073</u>
Total expenses	<u>16,146,637</u>	<u>16,235,519</u>
Changes in net assets	(478,334)	(2,309,149)
Beginning net assets	<u>25,434,625</u>	<u>27,743,774</u>
Ending net assets	<u>\$ 24,956,291</u>	<u>\$ 25,434,625</u>

Financial Analysis of Montgomery County's Governmental Funds

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

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

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2012

Expenses and Program Revenues - Government Activities

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

Revenues by Source - Government Activities

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

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

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

The primary source of general revenue is property, sales, income taxes, inheritance and real estate transfer taxes and motor fuel taxes of \$7,031,089. Property taxes are collected for and recorded in separate funds, such as General Fund, Retirement Fund, Highway Fund, and so forth. The Equalized Assessed Valuation, on which all property taxes are calculated, has been growing in recent years.

Capital Assets

The County's investment in capital assets (net of related depreciation and related debt) for its Governmental type activities as of November 30, 2012, amounts to \$16,009,251. Investments in capital assets include land, building and structures, equipment, technology and equipment, and infrastructure. Net capital assets increased by \$1,800,160 in fiscal year 2012.

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

General Fund Budgeting Highlights

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Revenues	\$ 5,460,770	\$ 5,983,642	\$ 522,872
Expenditures	<u>8,278,139</u>	<u>8,502,804</u>	(224,665)
Excess of revenues over expenditures	(2,817,369)	(2,519,162)	298,207
Other financing sources	<u>40,000</u>	<u>137,474</u>	<u>97,474</u>
Net change in fund balance	\$ <u>(2,777,369)</u>	\$ <u>(2,381,688)</u>	\$ <u>395,681</u>

General Fund revenues were \$522,872 higher than the final budget.

General Fund actual expenditures were \$224,665 more than the final budget.

MONTGOMERY COUNTY, ILLINOIS

Management's Discussion and Analysis November 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Change</u>
Taxes	\$ 2,829,850	\$ 3,159,108	\$ 329,258
Investment income	53,800	15,679	(38,121)
Fines and fees	1,714,400	1,843,315	128,915
Licenses	61,550	60,162	(1,388)
Other	172,970	321,696	148,726
Reimbursed expenditures	<u>628,200</u>	<u>583,682</u>	<u>(44,518)</u>
Total revenues	\$ <u>5,460,770</u>	\$ <u>5,983,642</u>	\$ <u>522,872</u>

Economic Factors and Next Year's Budgets and Rates

Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for the fiscal year 2013 (December 1, 2012 through November 30, 2013):

- The year 2012 unemployment rate for Montgomery County was 12.0%, higher than the state-wide average of 8.6%.
- Sales taxes are trending upward and income taxes are trending downward.
- Fees collected for services were trending higher.
- Federal and state budget deficits placed intergovernmental receipts more at risk than previously.
- Cost-of-Living in the year 2012 decreased 2.1% below the previous year.
- Benefits costs increased, especially costs of health coverage for County employees.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

MONTGOMERY COUNTY, ILLINOIS

Statement of Net Assets
November 30, 2012

	<u>Governmental Activities</u>
Assets	
Cash	\$ 8,281,993
Investments - certificates of deposit	
Receivables:	
State of Illinois	1,162,223
Accounts	739,370
Other	176,013
Notes	33,286
Capital assets:	
Land and improvements	197,908
Other capital assets, net of depreciation	<u>15,811,343</u>
Total assets	<u>26,402,136</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	1,125,845
Deferred revenue	-
Accrued compensated absences	20,000
Noncurrent liabilities:	
Compensated absences	<u>300,000</u>
Total liabilities	<u>1,445,845</u>
Net assets	
Invested in capital assets, net of related debt	16,009,251
Restricted	2,618,589
Committed	689,367
Assigned	3,599,776
Unrestricted	<u>2,039,308</u>
Total net assets	<u>\$ 24,956,291</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Activities
Governmental Activities
Year ended November 30, 2012**

		<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes In Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 5,537,312	\$ 537,298	\$ 331,514	\$ -	\$ (4,668,500)
Judiciary and court related	1,918,102	1,329,614	481,976	-	(106,512)
Public safety	3,155,881	837,182	91,483	-	(2,227,216)
Health and welfare	2,967,134	231,890	2,074,228	-	(661,016)
Transportation	<u>2,568,208</u>	<u>-</u>	<u>102,552</u>	<u>1,187,209</u>	<u>(1,278,447)</u>
Total governmental activities	<u>\$ 16,146,637</u>	<u>\$ 2,935,984</u>	<u>\$ 3,081,753</u>	<u>\$ 1,187,209</u>	<u>(8,941,691)</u>
General revenues:					
Taxes:					
Property					3,911,439
Sales					1,285,790
Income and replacement					925,609
Inheritance and real estate transfer					231,030
Motor fuel					677,221
Investment income					55,256
Other					<u>1,377,012</u>
Total general revenues					<u>8,463,357</u>
Change in net assets					(478,334)
Net assets, beginning of year					<u>25,434,625</u>
Net assets, end of year					<u>\$ 24,956,291</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Balance Sheet
Governmental Funds
November 30, 2012**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>IMRF Fund</u>	<u>Coal Royalties Fund</u>
Assets				
Cash	\$ 1,832,745	\$ 583,879	\$ 302,524	\$ 689,367
Investments - certificates of deposit	-	-	-	-
Accounts receivable	153,604	22,115	-	-
Due from other governmental agencies:				
State of Illinois	482,060	642,983	-	-
Other governmental agencies	-	-	-	-
Due from other funds	287,988	1,578	2,822	-
Interest receivable	-	-	-	-
Notes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,756,397</u>	<u>\$ 1,250,555</u>	<u>\$ 305,346</u>	<u>\$ 689,367</u>
Liabilities and Fund Balances				
Liabilities:				
Due to other funds	\$ 268,985	\$ 123,488	\$ -	\$ -
Accounts payable and accrued expenses	123,021	192,608	145,438	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>392,006</u>	<u>316,096</u>	<u>145,438</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	159,908	-
Committed	-	-	-	689,367
Assigned	-	934,459	-	-
Unassigned	<u>2,364,391</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,364,391</u>	<u>934,459</u>	<u>159,908</u>	<u>689,367</u>
Total liabilities and fund balances	<u>\$ 2,756,397</u>	<u>\$ 1,250,555</u>	<u>\$ 305,346</u>	<u>\$ 689,367</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Balance Sheet
Governmental Funds
November 30, 2012**

<u>Employees Insurance Fund</u>	<u>County Motor Fuel Tax Fund</u>	<u>Federal Aid Matching</u>	<u>Township Bridge Program Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 68,583	\$ 672,333	\$ 558,490	\$ 3,920	\$ 3,570,152	\$ 8,281,993
-	-	-	-	-	-
-	-	311,774	-	251,877	739,370
-	37,180	-	-	-	1,162,223
-	-	-	-	-	-
417,356	-	789	-	4,166	714,699
-	-	-	-	-	-
-	-	-	-	33,286	33,286
<u>\$ 485,939</u>	<u>\$ 709,513</u>	<u>\$ 871,053</u>	<u>\$ 3,920</u>	<u>\$ 3,859,481</u>	<u>\$ 10,931,571</u>
\$ -	\$ -	\$ -	\$ -	\$ 146,213	\$ 538,686
190,000	431,396	23,144	-	20,238	1,125,845
-	-	-	-	-	-
<u>190,000</u>	<u>431,396</u>	<u>23,144</u>	<u>-</u>	<u>166,451</u>	<u>1,664,531</u>
-	278,117	847,909	3,920	1,376,414	2,666,268
-	-	-	-	-	689,367
295,939	-	-	-	2,369,378	3,599,776
-	-	-	-	(52,762)	2,311,629
<u>295,939</u>	<u>278,117</u>	<u>847,909</u>	<u>3,920</u>	<u>3,693,030</u>	<u>9,267,040</u>
<u>\$ 485,939</u>	<u>\$ 709,513</u>	<u>\$ 871,053</u>	<u>\$ 3,920</u>	<u>\$ 3,859,481</u>	<u>\$ 10,931,571</u>

MONTGOMERY COUNTY, ILLINOIS

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Assets
November 30, 2012

Fund balances of the governmental funds	\$ 9,267,040
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities of \$43,479,907, net of accumulated depreciation of \$27,470,656, are not financial resources and, therefore, are not reported in the funds.	16,009,251
Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(320,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds - Notes receivable from sale of coal rights.	<u> -</u>
Net assets of governmental activities	\$ <u>24,956,291</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
November 30, 2012**

	<u>General Fund</u>	<u>Public Health Fund</u>	<u>IMRF Fund</u>	<u>Coal Royalties Fund</u>
Revenues:				
Taxes	\$ 3,159,108	\$ 420,192	\$ 851,843	\$ -
Intergovernmental	810,485	2,074,228	1,853	-
Fines and fees	1,843,315	231,890	-	-
Interest	15,679	4,851	1,744	1,196
Miscellaneous	94,893	21,950	-	688,171
Licenses and fees	60,162	-	-	-
Charges for services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,983,642</u>	<u>2,753,111</u>	<u>855,440</u>	<u>689,367</u>
Expenditures:				
Current:				
General government	3,379,157	-	947,138	-
Public safety	2,556,216	-	-	-
Health and welfare	-	2,760,489	-	-
Transportation	-	-	-	-
Judiciary and court related	1,374,320	-	-	-
Capital outlay	<u>1,193,111</u>	<u>93,760</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,502,804</u>	<u>2,854,249</u>	<u>947,138</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,519,162)</u>	<u>(101,138)</u>	<u>(91,698)</u>	<u>689,367</u>
Other financing sources (uses):				
Insurance proceeds	97,474	-	-	-
Transfers in	40,000	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>137,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(2,381,688)</u>	<u>(101,138)</u>	<u>(91,698)</u>	<u>689,367</u>
Fund balances, beginning of year	<u>4,746,079</u>	<u>1,035,597</u>	<u>251,606</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,364,391</u>	<u>\$ 934,459</u>	<u>\$ 159,908</u>	<u>\$ 689,367</u>

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
November 30, 2012**

<u>Employees Insurance Fund</u>	<u>County Motor Fuel Tax Fund</u>	<u>Federal Aid Matching</u>	<u>Township Bridge Program Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 677,221	\$ 210,094	\$ -	\$ 1,712,631	\$ 7,031,089
-	-	-	-	124,708	3,011,274
-	-	-	-	-	2,075,205
1,072	3,671	7,228	573	19,242	55,256
-	-	1,361,152	-	371,060	2,537,226
-	-	-	-	-	60,162
-	-	-	-	800,617	800,617
<u>1,072</u>	<u>680,892</u>	<u>1,578,474</u>	<u>573</u>	<u>3,028,258</u>	<u>15,570,829</u>
(38,185)	-	-	-	1,031,772	5,319,882
-	-	-	-	417,475	2,973,691
-	-	-	-	150,921	2,911,410
-	649,547	206,068	136,912	892,850	1,885,377
-	-	-	-	400,657	1,774,977
-	<u>311,775</u>	<u>1,324,060</u>	<u>-</u>	<u>129,754</u>	<u>3,052,460</u>
<u>(38,185)</u>	<u>961,322</u>	<u>1,530,128</u>	<u>136,912</u>	<u>3,023,429</u>	<u>17,917,797</u>
<u>39,257</u>	<u>(280,430)</u>	<u>48,346</u>	<u>(136,339)</u>	<u>4,829</u>	<u>(2,346,968)</u>
-	-	-	-	-	97,474
-	-	-	-	-	40,000
-	-	-	-	(40,000)	(40,000)
-	-	-	-	(40,000)	97,474
39,257	(280,430)	48,346	(136,339)	(35,171)	(2,249,494)
<u>256,682</u>	<u>558,547</u>	<u>799,563</u>	<u>140,259</u>	<u>3,728,201</u>	<u>11,516,534</u>
<u>\$ 295,939</u>	<u>\$ 278,117</u>	<u>\$ 847,909</u>	<u>\$ 3,920</u>	<u>\$ 3,693,030</u>	<u>\$ 9,267,040</u>

MONTGOMERY COUNTY, ILLINOIS

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Governmental Activities on the Statement of Activities
Year Ended November 30, 2012

Net change in fund balances - total governmental funds \$ (2,249,494)

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

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

Capital outlay	\$ 3,052,460	
Depreciation	<u>(1,252,300)</u>	
Excess of capital outlay over depreciation		1,800,160

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

Compensated absences payable change	(29,000)
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Principal repayment on the coal rights note	<u>-</u>
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Change in net assets of governmental activities \$ (478,334)

See notes to financial statements.

MONTGOMERY COUNTY, ILLINOIS

Statement of Fiduciary Net Assets
Agency Funds
November 30, 2012

Assets	
Cash	\$ 1,366,856
Investments	143,550
Accounts receivable	<u>118,114</u>
Total assets	\$ <u>1,628,520</u>
Liabilities	
Due to others	\$ 1,452,507
Due to other funds	<u>176,013</u>
Total liabilities	\$ <u>1,628,520</u>

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies

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

1.A. Financial Reporting Entity

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

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

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

1.B. Basis of Presentation

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

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

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

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

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

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

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

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

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

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

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

1.C. Government-Wide and Fund Financial Statements

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

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

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

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

1.D. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

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

Basis of Accounting

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

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

1.E. Assets, Liabilities and Equity

Cash and Cash Equivalents

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

Investments

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

Receivables

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

Inventories

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

Government-Wide Statements

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

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

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

Fund Financial Statements

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

Long-Term Debt

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

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

Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

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

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

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

Committed Fund Balance - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority.

Assigned Fund Balance - The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed.

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

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

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

1.F. Revenues, Expenditures, and Expenses

Program Revenues

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

General Government Function	Fees, charges for services, licenses, and permits. Capital grant for courthouse improvements.
Judiciary and Court Related Function	Fines and fees and state stipends.

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

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

1.G. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

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

Government-Wide Financial Statements

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

- a. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and fiduciary activities columns of the Statement of Net Assets, except for the net residual amounts due between governmental and fiduciary activities which are reported as Internal Balances.

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

- b. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and fiduciary activities, which are reported as Internal-Transfer Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

1.H. Use of Estimates

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

1.I. Property Taxes

The County's property tax is levied on January 1 of each year on all taxable real property located in Montgomery County. Real property tax revenue received in 2012 represents collections of the 2011 taxes. Real property taxes for the 2012 levy will be collected in and are intended to finance the 2013 operations.

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

Property taxes are collected by the Montgomery County Treasurer who periodically remits to each taxing unit its respective share of the collections. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within applicable funds. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1. A lien on taxable property is effective thirty (30) days after the second installment due date. The budget and levy were approved on November 8, 2011. The assessed valuation for 2011 was \$391,401,353.

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 1 - Summary of Significant Accounting Policies, continued

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

	<u>2011 Tax Rate</u>
General Corporate	.20250
I.M.R.F.	.20440
County Highway	.10000
Bridges	.05000
Federal Aid Matching	.05000
Public Health	.10000
Social Security	.11242
Tuberculosis	.02320
Liability Insurance	.08917
Senior Citizens	.02300
Veteran's Assistance	<u>.02000</u>
	<u>.97469</u>

1.J. Compensated Absences

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

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

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

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

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

Upon retirement, employees are entitled to receive up to \$1,500 for payment of accumulated sick days. Sick leave in excess of 100 days maximum is not paid upon termination, but will be paid only upon illness while in the employment of the County.

The total compensated absences balance at November 30, 2012, was \$320,000.

MONTGOMERY COUNTY, ILLINOIS

**Notes to Financial Statements
November 30, 2012**

Note 1 - Stewardship, Compliance, and Accountability, continued

1.K. Subsequent Events

The County has evaluated subsequent events through April 5, 2013, the date on which the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure of the financial statements.

Note 2 - Stewardship, Compliance, and Accountability

2.A. Deposits and Investments

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

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

Cash on hand of \$2,180 has been excluded from the amounts shown below.

Deposits and Custodial Credit Risk

At November 30, 2012, the carrying value of the County's deposits, net of outstanding checks including certificates of deposit, totaled \$9,792,399 and the bank balances totaled \$10,412,656. Of this balance \$921,189 was insured by the Federal Deposit Insurance Corporation (FDIC), \$9,491,467 was covered by pledged collateral, which was held in the County's name, and \$0 was uncollateralized.

Interest Rate Risk

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

At November 30, 2012, the County's deposits were as follows:

Governmental Funds	\$ 8,281,993
Agency Funds	<u>1,510,406</u>
	<u>\$ 9,792,399</u>

MONTGOMERY COUNTY, ILLINOIS

**Notes to Financial Statements
November 30, 2012**

Note 3 - Capital Assets

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

Capital asset activity for the year ended November 30, 2012, was as follows:

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance November 30, 2012</u>
Primary government				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ <u>197,908</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u>197,908</u>
Total nondepreciable capital assets	<u>197,908</u>	<u> -</u>	<u> -</u>	<u>197,908</u>
Depreciable capital assets:				
Buildings and building improvements	11,246,981	1,112,002	-	12,358,983
Vehicles	1,451,759	172,663	21,999	1,602,423
Equipment	2,321,410	131,960	-	2,453,370
Infrastructure	<u>25,231,388</u>	<u>1,635,835</u>	<u> -</u>	<u>26,867,223</u>
Total depreciable assets	<u>40,251,538</u>	<u>3,052,460</u>	<u>21,999</u>	<u>43,281,999</u>
Less accumulated depreciation for:				
Buildings and building improvements	5,146,749	295,964	-	5,442,713
Vehicles	1,199,409	137,536	21,999	1,314,946
Equipment	1,594,414	201,652	-	1,796,066
Infrastructure	<u>18,299,783</u>	<u>617,148</u>	<u> -</u>	<u>18,916,931</u>
Total accumulated depreciation	<u>26,240,355</u>	<u>1,252,300</u>	<u>21,999</u>	<u>27,470,656</u>
Total depreciable assets, net	<u>14,011,183</u>	<u>1,800,160</u>	<u> -</u>	<u>15,811,343</u>
Governmental activities capital assets, net	\$ <u>14,209,091</u>	\$ <u>1,800,160</u>	\$ <u> -</u>	\$ <u>16,009,251</u>
Depreciation expense was charged to governmental functions as follows:				
General government				\$ 188,430
Judiciary and court related				143,125
Public safety				182,190
Transportation				682,831
Health and welfare				<u>55,724</u>
Total depreciation expense - governmental activities				\$ <u>1,252,300</u>

MONTGOMERY COUNTY, ILLINOIS

**Notes to Financial Statements
November 30, 2012**

Note 4 - Interfund Receivables and Payables and Transfers

Interfund receivables and payables at November 30, 2012, resulted from two types of transactions between funds. The first transaction types consist of loans made to provide working capital for operation or projects as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 287,988	\$ 268,985
Public Health Fund	1,578	123,488
Social Security Fund	1,799	50,000
Emergency Telephone System Fund	-	71,330
County Aid to Bridges Fund	789	-
Employees Insurance Fund	417,356	-
Sheriff's Fund	-	154,385
State's Attorney Fund	-	468
Probation Fund	-	806
County Treasurer's Other Funds	-	20,354
Federal Aid Matching	789	-
IMRF	2,822	-
County Highway Fund	1,578	19,384
Tuberculosis Fund	<u>-</u>	<u>5,499</u>
Total interfund receivables/payables	<u>\$ 714,699</u>	<u>\$ 714,699</u>
	<u>Transfers</u>	<u>Transfers</u>
	<u>Out</u>	<u>In</u>
County Court Fund	\$ 40,000	\$ -
General Fund	<u>-</u>	<u>40,000</u>
Total transfers	<u>\$ 40,000</u>	<u>\$ 40,000</u>

The transfers were for operating expenses.

Note 5 - Risk Management and Employee Matters

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

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements November 30, 2012

Note 5 - Risk Management and Employee Matters

The County pays all elected officials' bond by statute.

Group Health Plan

Montgomery County Group Health Plan is the benefit plan of Montgomery County, Illinois, the Plan Administrator, also called the Plan Sponsor. The Plan is a partially self-funded group health Plan and the administration is provided through a Third Party Claims Administrator. The funding for the benefits is derived from the funds of the Employer and contributions made by covered Employees. The level of any Employee contributions will be set by the Plan Administrator. These Employee contributions will be used in funding the cost of the Plan as soon as practicable after they have been received from the Employee or withheld from the Employee's pay through payroll deduction. For the period ending November 30, 2012, of the 160 eligible employees there were 117 on the Plan representing coverage for 74 "employee only" and 43 "family".

Employee Voluntary Severance Plan

The County offered a voluntary severance plan to eligible employees in December 2011. The program was strictly voluntary and no employees were specifically targeted for participation. Elected officials were excluded.

Eligible employees included those that met the following requirements:

1. 55 or more years of age.
2. Have 20 or more consecutive years of service as an employee of Montgomery County.

Note 6 - Pension Plan

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

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

MONTGOMERY COUNTY, ILLINOIS

**Notes to Financial Statements
November 30, 2012**

Note 6 - Pension Plan - continued

Funding Policy: As set by statute, the Regular, ECO and SLEP plan members are required to contribute 4.50%, 7.50%, and 7.50%, respectively, of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011, for Regular, ECO and SLEP was 11.34%, 55.05% and 16.45%, respectively, of annual covered payroll. The County also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefit rate is set by statute.

Annual Pension Cost: For 2011, the County's required contribution for calendar year 2011 was \$649,051 for the Regular plan, \$80,475 for the Elected County Official Plan, and \$137,326 for the Sheriff's Law Enforcement Personnel Plan.

Three-year Trend Information for the Regular Plan

Fiscal Year <u>Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 649,051	100%	\$ 0
12/31/10	660,205	100%	0
12/31/09	475,448	100%	0

Three-year Trend Information for the Elected County Officials Plan

Fiscal Year <u>Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 80,475	100%	\$ 0
12/31/10	58,775	100%	0
12/31/09	81,307	100%	0

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

Fiscal Year <u>Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	\$ 137,326	100%	\$ 0
12/31/10	113,343	100%	0
12/31/09	101,259	100%	0

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 6 - Pension Plan - continued

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumption at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expense), (b) projected salary increase of 4.00% a year, attributable to inflation, (c) additional projected salary increase ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/ merit, and (d) post retirement increase of 3% annually. The actuarial value of the County's Regular, ECO, and SLEP plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The County Regular, ECO, and SLEP plan's unfunded actuarial accrued liability at December 31, 2009, is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2011, the most recent actuarial valuation date, the Regular Plan was 77.00 percent funded. The actuarial liability for benefits was \$15,764,573 and the actuarial value of assets was \$12,138,564, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,626,009. The covered payroll (annual payroll of active employees covered by the plan) was \$5,723,554 and the ratio of the UAAL to the covered payroll was 63 percent.

As of December 31, 2011, the most recent valuation date, the Elected County Officials Plan was 35.50 percent funded. The actuarial accrued liability for benefits was \$1,497,066 and the actuarial value of assets was \$531,472, resulting in an underfunded actuarial liability (UAAL) of \$965,594. The covered payroll (annual payroll of active employees covered by the plan) was \$146,186 and the ratio of the UAAL to the covered payroll was 661 percent.

As of December 31, 2011, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel Plan was 79.12 percent funded. The actuarial accrued liability for benefits was \$2,949,613 and the actuarial value of the assets was \$2,333,819, resulting in an underfunded actuarial accrued liability (UAAL) of \$615,794. The covered payroll (annual payroll of active employees covered by the plan) was \$834,811 and the ratio of the UAAL to the covered payroll was 74 percent.

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

MONTGOMERY COUNTY, ILLINOIS

Notes to Financial Statements
November 30, 2012

Note 7 - Long-Term Debt

The following is a summary of changes in the County's long-term obligations for the year ended November 30, 2012:

Compensated Absences

	Balance December 1, 2011	Additions	Reductions	Balance November 30, 2012	Current Portion
Compensated absences	\$ <u>291,000</u>	\$ <u>29,000</u>	\$ <u>-</u>	\$ <u>320,000</u>	\$ <u>20,000</u>

Note 8 - Coal Royalties

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

Note 9 - Fund Equity Deficit

The following funds reported a deficit fund balance as of November 30, 2012. The Emergency Telephone System Fund deficit will be eliminated by fee surcharge and wireless surcharge. The Social Security Fund deficit will be eliminated by property tax revenue.

Special Revenue Fund:

Emergency Telephone System Fund	\$ <u>5,083</u>
Social Security Fund	\$ <u>47,679</u>

MONTGOMERY COUNTY, ILLINOIS

**Notes to Financial Statements
November 30, 2012**

Note 10 - Fund Changes and Fund Balances

Amounts for specific purposes by fund balance classifications for the year ended November 30, 2012, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Restricted</u>		
IMRF	Retirement	\$ 159,908
County Motor Fuel	Maintenance of roads	278,117
Federal Aid to Bridges	Infrastructure repairs and improvements	847,909
Township Bridge	Infrastructure repairs and improvements	3,920
County Aid to Bridges	Infrastructure repairs and improvements	833,210
Tuberculosis	Health	126,024
Senior Citizens	Senior Citizens Association	57,655
Property and Liability Insurance	Insurance	203,865
Veterans' Assistance	Assistance to veterans	<u>155,660</u>
		<u>2,666,268</u>
<u>Committed</u>		
Coal Royalties Fund	Future capital outlay projects	<u>689,367</u>
<u>Assigned</u>		
Health	Health	934,459
Employee Insurance	Health insurance	295,939
Drug Asset Forfeiture	Public safety	7,881
County Highway	Maintenance and operation of highway system	355,206
County Farm Special Bridge	Infrastructure repairs and improvements	95,409
Equipment	Purchase and maintenance of highway equipment	414,440
Probation Fee	Court related matters	258,457
Record Keeping	Court related matters	63,666
Coroner	Coroner services	12,948
Electronic Citation	Court related matters	5,745
Document Storage	Court related matters	80,899
Victim Impact	Court related matters	3,706
Clerk Automation	Court related matters	75,690
Drug Court	Court related matters	17,122
County Court	Court related matters	327,307
Automation	Court related matters	350,120
County Drug	Court related matters	11,612
Law Library	Court related matters	43,477
Drug Test	Court related matters	15,713
Revolving Loan	Court related matters	229,415
States Attorney Automation	Court related matters	<u>565</u>
		<u>3,599,776</u>
<u>Unassigned</u>		
General		2,364,391
Emergency Service	911 services	(5,083)
Social Security	Payroll taxes	<u>(47,679)</u>
		<u>2,311,629</u>
		<u>\$ 9,267,040</u>

REQUIRED SUPPLEMENTARY INFORMATION

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2012**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes:			
Sales	\$ 1,020,000	\$ 1,285,790	\$ 265,790
Income	675,000	709,664	34,664
Replacement	57,000	53,699	(3,301)
Inheritance	100	4,718	4,618
Property	877,750	878,925	1,175
Real estate transfers	<u>200,000</u>	<u>226,312</u>	<u>26,312</u>
Total taxes	<u>2,829,850</u>	<u>3,159,108</u>	<u>329,258</u>
Interest, costs and penalties - net	<u>53,800</u>	<u>15,679</u>	<u>(38,121)</u>
Fines and Fees:			
Geographic Information System	74,100	98,018	23,918
County Clerk	170,000	172,066	2,066
Coroner	5,000	12,085	7,085
State's Attorney	600,000	578,586	(21,414)
Circuit Clerk	266,500	355,787	89,287
Public Defender	14,000	15,127	1,127
Sheriff	308,300	354,852	46,552
Costs of enforcement	-	70,265	70,265
Host	80,000	67,221	(12,779)
Recycling	<u>196,500</u>	<u>119,308</u>	<u>(77,192)</u>
Total fines and fees	<u>1,714,400</u>	<u>1,843,315</u>	<u>128,915</u>
Licenses and fees:			
Liquor	4,200	4,200	-
Animal Control	<u>57,350</u>	<u>55,962</u>	<u>1,388</u>
Total licenses and fees	<u>61,550</u>	<u>60,162</u>	<u>(1,388)</u>
Other Revenues:			
Miscellaneous revenues, refunds and reimbursements from other departments	53,470	79,943	26,473
Intergovernmental	105,000	226,803	121,803
Indemnity	10,500	10,960	460
Tax sale automation	<u>4,000</u>	<u>3,990</u>	<u>(10)</u>
Total other revenues	<u>172,970</u>	<u>321,696</u>	<u>148,726</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2012
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Reimbursed Expenditures:			
Christian/Montgomery ROE	\$ 33,259	\$ 17,686	\$ (15,573)
Help Americans Vote Act	-	8,311	8,311
Federal & SCIDTF overtime	-	12,418	12,418
Supervisor of Assessments	27,574	28,247	673
Election judges	18,900	7,920	(10,980)
State's Attorney, assistants and violent crime	160,477	160,668	191
Probation	153,890	122,595	(31,295)
EMA	24,355	21,702	(2,653)
Ambulance	70,060	57,363	(12,697)
Public defender	99,905	107,914	8,009
IEPA Grant	<u>39,780</u>	<u>38,858</u>	<u>(922)</u>
Total reimbursed expenditures	<u>628,200</u>	<u>583,682</u>	<u>(44,518)</u>
Total revenues	<u>5,460,770</u>	<u>5,983,642</u>	<u>522,872</u>
Expenditures:			
General Government:			
Building and Grounds:			
Salaries	43,998	44,762	(764)
Maintenance	167,000	256,561	(89,561)
Telephone and cell phone	41,500	31,712	9,788
Utilities	153,000	141,218	11,782
Supplies	1,250	364	886
Travel and training	300	-	300
Janitorial contract	27,500	24,000	3,500
Elevator service contract	14,000	8,765	5,235
Gas and oil	1,200	831	369
Other	3,000	-	3,000
Capital outlay	37,000	-	37,000
Small equipment	<u>3,000</u>	<u>4,537</u>	<u>(1,537)</u>
Total building and grounds	<u>492,748</u>	<u>512,750</u>	<u>(20,002)</u>
County Clerk:			
Salaries	244,610	244,562	48
Maintenance	-	-	-
Publishing and printing	250	440	(190)
Dues and subscriptions	350	353	(3)
Book binding	1,800	1,653	147
Supplies	9,000	6,985	2,015
Bond	100	116	(16)
Travel and training	<u>800</u>	<u>654</u>	<u>146</u>
Total County Clerk	<u>256,910</u>	<u>254,763</u>	<u>2,147</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2012
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Treasurer:			
Salaries	\$ 212,375	\$ 207,597	\$ 4,778
Maintenance	1,500	940	560
Travel and training	500	121	379
Printing and publishing	2,500	25	2,475
Dues and subscriptions	750	748	2
Supplies	13,500	12,210	1,290
Small equipment purchases	<u>3,500</u>	<u>1,858</u>	<u>1,642</u>
Total Treasurer	<u>234,625</u>	<u>223,499</u>	<u>11,126</u>
Coroner:			
Salaries	34,351	33,700	651
Telephone	2,800	2,156	644
Travel and training	3,200	1,236	1,964
Postage	300	783	(483)
Publishing and printing	2,700	2,418	282
Dues and subscriptions	600	650	(50)
Meetings	1,200	1,447	(247)
Jury fees	2,500	-	2,500
Autopsy and pathologist fees	57,000	73,210	(16,210)
Supplies	500	870	(370)
Other	2,700	2,521	179
Graham Correctional	<u>4,000</u>	<u>3,434</u>	<u>566</u>
Total Coroner	<u>111,851</u>	<u>122,425</u>	<u>(10,574)</u>
Regional Superintendent of Schools:			
Salaries	55,385	55,626	(241)
Maintenance	200	-	200
Telephone	1,200	-	1,200
Travel and training	7,450	6,937	513
Postage	880	880	-
Publishing and printing	220	396	(176)
Meetings	220	30	190
Supplies	1,700	1,000	700
Other	<u>2,800</u>	<u>2,425</u>	<u>375</u>
Total Regional Superintendent of Schools	<u>70,055</u>	<u>67,294</u>	<u>2,761</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Supervisor of Assessments:			
Salaries	\$ 199,057	\$ 188,932	\$ 10,125
Maintenance	2,000	752	1,248
Travel and training	5,250	4,262	988
Publishing and printing	38,500	38,420	80
Dues and subscriptions	1,000	450	550
Meetings	250	125	125
Tax mapping	3,000	700	2,300
Supplies	3,500	1,584	1,916
Computer contractual services	3,500	3,223	277
Small equipment purchases	<u>5,000</u>	<u>956</u>	<u>4,044</u>
Total Supervisor of Assessments	<u>261,057</u>	<u>239,404</u>	<u>21,653</u>
Board of Review:			
Salaries	36,786	30,004	6,782
Travel and training	1,375	254	1,121
Publishing and printing	5,000	2,407	2,593
Meetings	100	18	82
Supplies	600	461	139
Small equipment purchases	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Board of Review	<u>46,361</u>	<u>33,144</u>	<u>13,217</u>
County Board Office:			
Salary - County Board Chairman	6,000	6,000	-
Per diem	78,000	69,540	8,460
Travel and training	15,000	15,350	(350)
Printing and publishing	500	-	500
Dues and subscriptions	1,350	1,350	-
Meeting expense	1,300	-	1,300
Committee Chairmen expense	4,800	4,800	-
Liquor commission	550	550	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total County Board Office	<u>107,500</u>	<u>97,590</u>	<u>9,910</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Information System:			
Salaries	\$ 96,485	\$ 97,227	\$ (742)
Travel and training	2,000	5,052	(3,052)
Dues and subscriptions	100	-	100
Office and other	960	919	41
Computer updates - software	4,000	3,016	984
Computer updates - hardware	23,000	21,599	1,401
Cell phone	<u>4,980</u>	<u>480</u>	<u>4,500</u>
Total Information System	<u>131,525</u>	<u>128,293</u>	<u>3,232</u>
Media Archives:			
Salaries	2,500	-	2,500
Maintenance	2,000	-	2,000
Computer updates	4,000	-	4,000
Bookbinding	2,500	-	2,500
Other	4,500	-	4,500
Small equipment purchases	2,000	-	2,000
Capital outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Media Archives	<u>37,500</u>	<u>-</u>	<u>37,500</u>
Election:			
Salaries	12,510	12,460	50
Maintenance	15,000	-	15,000
Travel and training	1,200	1,014	186
Publishing and printing	8,000	11,270	(3,270)
Rent	5,200	4,815	385
Other	83,238	75,470	7,768
Contractual services	45,000	55,136	(10,136)
Small equipment purchases	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Election	<u>171,648</u>	<u>160,165</u>	<u>11,483</u>
Economic and Infrastructure Development:			
Trail maintenance	<u>21,350</u>	<u>11,904</u>	<u>9,446</u>
Total Economic and Infrastructure Development	<u>21,350</u>	<u>11,904</u>	<u>9,446</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
General Administrative:			
Postage	\$ 75,000	\$ 49,408	\$ 25,592
Printing and publishing	12,500	12,783	(283)
Accounting	45,000	40,000	5,000
Real estate transfer tax	133,000	133,333	(333)
Insurance - health	696,479	732,356	(35,877)
Computer services	52,500	65,185	(12,685)
Copy paper	8,500	9,945	(1,445)
Other	12,000	18,060	(6,060)
County farm	1,000	750	250
Economic Development	30,000	30,000	-
West Central Development	6,200	6,146	54
Fayco Grant	34,000	34,000	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total General Administrative	<u>1,106,179</u>	<u>1,131,966</u>	<u>(25,787)</u>
Geographic Information System:			
Salaries	48,403	45,828	2,575
Computer updates	15,000	6,713	8,287
Contractual services	1,000	-	1,000
Other	16,950	4,085	12,865
Rent	3,000	700	2,300
Small equipment	2,000	-	2,000
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Geographic Information System	<u>91,353</u>	<u>57,326</u>	<u>34,027</u>
Coordinated Services:			
Salaries	64,737	69,566	(4,829)
Other	<u>9,225</u>	<u>8,605</u>	<u>620</u>
Total Coordinated Services	<u>73,962</u>	<u>78,171</u>	<u>(4,209)</u>
Solid Waste:			
Salaries	36,596	38,707	(2,111)
Other	<u>4,800</u>	<u>4,258</u>	<u>542</u>
Total Solid Waste	<u>41,396</u>	<u>42,965</u>	<u>(1,569)</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Recycling:			
Salaries	\$ 137,745	\$ 141,210	\$ (3,465)
Maintenance	12,800	21,487	(8,687)
Utilities	6,532	6,137	395
Publishing and printing	500	595	(95)
Dues and subscriptions	400	350	50
Recycling operating	8,000	5,408	2,592
Trash	1,500	1,752	(252)
Office	1,100	1,657	(557)
Fuel and propane	15,500	11,725	3,775
Supplies	7,000	9,417	(2,417)
Other	6,930	1,612	5,318
Commodity requisition	26,400	11,203	15,197
Small equipment	5,500	4,945	555
Capital outlay	<u>5,000</u>	<u>139,006</u>	<u>(134,006)</u>
Total Recycling	<u>234,907</u>	<u>356,504</u>	<u>(121,597)</u>
Capital Improvement:			
Property restoration	750,000	905,973	(155,973)
Other	1,000	-	1,000
Sheriff's vehicles	-	148,132	(148,132)
Real estate	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Improvement	<u>751,000</u>	<u>1,054,105</u>	<u>(303,105)</u>
Total General Government	<u>4,241,927</u>	<u>4,572,268</u>	<u>(330,341)</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Judiciary and Court-Related:			
Montgomery County Judge's Office:			
Judge's Office	\$ <u>3,300</u>	\$ <u>2,454</u>	\$ <u>846</u>
Total Montgomery County Judge's Office	<u>3,300</u>	<u>2,454</u>	<u>846</u>
State's Attorney Office:			
Salaries	391,420	382,886	8,534
Appellate prosecution	11,000	11,000	-
Travel and training	5,000	1,149	3,851
Printing and publishing	1,500	960	540
Dues and subscriptions	3,000	1,598	1,402
Transcripts	1,000	318	682
Witness fees and subpoenas	1,000	215	785
Office supplies	2,750	2,293	457
Operating supplies	5,000	3,710	1,290
Other	2,400	-	2,400
Small equipment purchases	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total State's Attorney Office	<u>429,070</u>	<u>404,129</u>	<u>24,941</u>
Circuit Clerk's Office:			
Salaries	266,911	292,797	(25,886)
Maintenance	1,700	3,264	(1,564)
Travel and training	400	923	(523)
Printing and publishing	10,150	3,002	7,148
Dues and subscriptions	600	593	7
Meetings	1,200	538	662
Office and other	11,100	10,268	832
Small equipment purchases	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Circuit Clerk's Office	<u>293,061</u>	<u>311,385</u>	<u>(18,324)</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Probation Office:			
Salaries	\$ 287,404	\$ 287,630	\$ (226)
Maintenance	1,500	1,302	198
Travel and training	3,000	1,883	1,117
Printing and publishing	2,000	1,500	500
Legal	250	-	250
Dues and subscriptions	425	450	(25)
Meetings	750	453	297
Office supplies	8,000	7,651	349
Pager	150	127	23
Small equipment purchases	<u>1,500</u>	<u>488</u>	<u>1,012</u>
Total Probation Office	<u>304,979</u>	<u>301,484</u>	<u>3,495</u>
Public Defender:			
Salaries	185,491	199,309	(13,818)
Maintenance	1,975	2,346	(371)
Travel and training	150	248	(98)
Printing and publishing	500	728	(228)
Transcripts	100	85	15
Office supplies	1,000	1,243	(243)
Operating supplies	400	689	(289)
Small equipment purchases	<u>2,000</u>	<u>1,490</u>	<u>510</u>
Total Public Defender	<u>191,616</u>	<u>206,138</u>	<u>(14,522)</u>
Jury and Jurors:			
Per diem	3,000	4,876	(1,876)
Travel and training	4,000	2,692	1,308
Meals	500	109	391
Conflict public defender	97,500	98,673	(1,173)
Court ordered fees	15,000	17,464	(2,464)
Juvenile detention	20,000	24,554	(4,554)
Court appointed counsel	5,000	-	5,000
Other expenses	<u>900</u>	<u>362</u>	<u>538</u>
Total Jury and Jurors	<u>145,900</u>	<u>148,730</u>	<u>(2,830)</u>
Total Judiciary and Court-Related	<u>1,367,926</u>	<u>1,374,320</u>	<u>(6,394)</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Safety:			
Sheriff:			
Salaries	\$ 1,954,002	\$ 1,847,620	\$ 106,382
Severance and vacation benefits	18,103	10,514	7,589
Pension	27,000	28,218	(1,218)
Maintenance	99,300	110,771	(11,471)
Travel and training	32,550	4,927	27,623
Publishing and printing	2,500	1,806	694
Dues and subscriptions	2,000	1,291	709
Meals - prisoners	76,150	61,807	14,343
Medical care - prisoners	75,000	81,368	(6,368)
Office supplies	6,050	3,447	2,603
Gasoline and oil	80,000	82,233	(2,233)
Supplies	4,000	1,020	2,980
Uniforms and clothing	15,000	9,177	5,823
Janitorial supplies	15,000	9,882	5,118
Other	2,000	586	1,414
Cell phones and pagers	7,225	6,972	253
Small equipment purchases	10,000	9,455	545
Capital outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Sheriff	<u>2,445,880</u>	<u>2,271,094</u>	<u>174,786</u>
Emergency Services:			
Salaries	46,765	49,267	(2,502)
Maintenance	2,550	3,297	(747)
Cell phone	455	269	186
Travel and training	5,950	2,021	3,929
Publishing, printing and postage	225	-	225
Dues and subscriptions	250	104	146
Contractual service	4,200	1,900	2,300
Gasoline and oil	1,500	759	741
Supplies	4,750	1,452	3,298
Other	-	2,082	(2,082)
Small equipment purchases	3,000	11,195	(8,195)
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Emergency Services	<u>74,645</u>	<u>72,346</u>	<u>2,299</u>

MONTGOMERY COUNTY, ILLINOIS

General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012
 (Continued)

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Ambulance:			
Salaries	\$ 43,359	\$ 43,692	\$ (333)
Maintenance	525	-	525
Publishing, printing and postage	1,000	692	308
Office	3,100	1,455	1,645
Training	2,050	1,726	324
Other	3,456	90	3,366
Contractual services	5,000	2,955	2,045
Small equipment purchases	3,000	-	3,000
Capital outlay	5,000	-	5,000
Total Ambulance	<u>66,490</u>	<u>50,610</u>	<u>15,880</u>
Animal Control:			
Salaries	43,896	45,092	(1,196)
Utilities	3,075	4,567	(1,492)
Travel	700	569	131
Veterinarian	9,000	7,968	1,032
Gasoline, oil and propane	5,300	3,504	1,796
Other	10,600	2,094	8,506
Supplies	1,800	7,175	(5,375)
Small equipment purchases	600	-	600
Maintenance	3,900	4,906	(1,006)
Animal food	2,400	581	1,819
Total Animal Control	<u>81,271</u>	<u>76,456</u>	<u>4,815</u>
Emergency Telephone System:			
Maintenance	-	20,125	(20,125)
Service contract	-	20,491	(20,491)
Telephone	-	7,472	(7,472)
Travel and training	-	1,372	(1,372)
Contractual services	-	400	(400)
Dues and subscriptions	-	1,439	(1,439)
Computer updates - software	-	463	(463)
Computer updates - hardware	-	8,934	(8,934)
Fees for collecting surcharge	-	17,203	(17,203)
Office supplies	-	2,681	(2,681)
Operating supplies	-	1,884	(1,884)
Other	-	1,166	(1,166)
Small equipment purchase	-	2,080	(2,080)
Total Emergency Telephone System	<u>-</u>	<u>85,710</u>	<u>(85,710)</u>
Total Public Safety	<u>2,668,286</u>	<u>2,556,216</u>	<u>112,070</u>

MONTGOMERY COUNTY, ILLINOIS

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2012
(Continued)**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total expenditures	\$ <u>8,278,139</u>	\$ <u>8,502,804</u>	\$ <u>(224,665)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,817,369)</u>	<u>(2,519,162)</u>	<u>298,207</u>
Other financing sources (uses):			
Insurance proceeds	-	97,474	97,474
Transfers in	40,000	40,000	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>40,000</u>	<u>137,474</u>	<u>97,474</u>
Net change in fund balance	\$ <u>(2,777,369)</u>	(2,381,688)	\$ <u>395,681</u>
Fund balance, beginning of year		<u>4,746,079</u>	
Fund balance, end of year		\$ <u>2,364,391</u>	

MONTGOMERY COUNTY, ILLINOIS

Coal Royalties Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Coal royalties	\$ -	\$ 688,171	\$ (688,171)
Interest	<u>-</u>	<u>1,196</u>	<u>(1,196)</u>
Total revenues	<u>-</u>	<u>689,367</u>	<u>(689,367)</u>
Expenditures:			
Current:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	689,367	\$ <u>(689,367)</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 689,367</u>	

MONTGOMERY COUNTY, ILLINOIS

**Public Health Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended November 30, 2012**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Replacement taxes	\$ 33,000	\$ 27,477	\$ (5,523)
Property taxes	399,200	392,715	(6,485)
Intergovernmental	2,223,710	2,074,228	(149,482)
Fees	302,500	231,890	(70,610)
Interest	6,000	4,851	(1,149)
Miscellaneous	<u>5,000</u>	<u>21,950</u>	<u>16,950</u>
Total revenues	<u>2,969,410</u>	<u>2,753,111</u>	<u>(216,299)</u>
Expenditures:			
Current:			
Health and welfare	2,944,928	2,760,489	184,439
Capital outlay	<u>5,000</u>	<u>93,760</u>	<u>(88,760)</u>
Total expenditures	<u>2,949,928</u>	<u>2,854,249</u>	<u>95,679</u>
Net change in fund balance	\$ <u>19,482</u>	(101,138)	\$ <u>(120,620)</u>
Fund balance, beginning of year		<u>1,035,597</u>	
Fund balance, end of year		\$ <u>934,459</u>	

MONTGOMERY COUNTY, ILLINOIS

Illinois Municipal Retirement Fund (IMRF)
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Replacement taxes	\$ 61,980	\$ 49,135	\$ (12,845)
Property taxes	801,750	802,708	958
Intergovernmental	1,470	1,853	383
Interest	<u>3,500</u>	<u>1,744</u>	<u>(1,756)</u>
Total revenues	<u>868,700</u>	<u>855,440</u>	<u>(13,260)</u>
Expenditures:			
Current:			
General government	<u>976,482</u>	<u>947,138</u>	<u>29,344</u>
Total expenditures	<u>976,482</u>	<u>947,138</u>	<u>29,344</u>
Net change in fund balance	\$ <u>(107,782)</u>	(91,698)	\$ <u>16,084</u>
Fund balance, beginning of year		<u>251,606</u>	
Fund balance, end of year		<u>\$ 159,908</u>	

MONTGOMERY COUNTY, ILLINOIS

Employees Insurance Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest	\$ <u>1,300</u>	\$ <u>1,072</u>	\$ <u>(228)</u>
Total revenues	<u>1,300</u>	<u>1,072</u>	<u>(228)</u>
Expenditures:			
Current:			
General government	1,375,817	1,549,676	(173,859)
Less: reimbursements	<u>1,375,816</u>	<u>1,587,861</u>	<u>212,045</u>
Net expenditures	<u>1</u>	<u>(38,185)</u>	<u>38,186</u>
Net change in fund balance	\$ <u><u>1,299</u></u>	39,257	\$ <u><u>37,958</u></u>
Fund balance, beginning of year		<u>256,682</u>	
Fund balance, end of year		\$ <u><u>295,939</u></u>	

MONTGOMERY COUNTY, ILLINOIS

County Motor Fuel Tax Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Allotments from State of Illinois	\$ 675,000	\$ 677,221	\$ 2,221
Interest	12,000	3,671	(8,329)
Other	<u>255,250</u>	<u>-</u>	<u>(255,250)</u>
Total revenues	<u>942,250</u>	<u>680,892</u>	<u>(261,358)</u>
Expenditures:			
Materials and labor	1,379,500	649,547	729,953
Capital outlay	<u>-</u>	<u>311,775</u>	<u>(311,775)</u>
Total expenditures	<u>1,379,500</u>	<u>961,322</u>	<u>418,178</u>
Net change in fund balance	\$ <u>(437,250)</u>	(280,430)	\$ <u>156,820</u>
Fund balance, beginning of year		<u>558,547</u>	
Fund balance, end of year		\$ <u>278,117</u>	

MONTGOMERY COUNTY, ILLINOIS

Federal Aid Matching Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 199,400	\$ 196,355	\$ (3,045)
Replacement taxes	13,500	13,739	239
Interest	10,000	7,228	(2,772)
Other	<u>-</u>	<u>1,361,152</u>	<u>1,361,152</u>
Total revenues	<u>222,900</u>	<u>1,578,474</u>	<u>1,355,574</u>
Expenditures:			
Publishing and printing	100	-	100
Engineering	407,450	143,302	264,148
Bridges and roads	232,723	62,766	169,957
Capital outlay	<u>-</u>	<u>1,324,060</u>	<u>(1,324,060)</u>
Total expenditures	<u>640,273</u>	<u>1,530,128</u>	<u>(889,855)</u>
Net change in fund balance	\$ <u>(417,373)</u>	48,346	\$ <u>465,719</u>
Fund balance, beginning of year		<u>799,563</u>	
Fund balance, end of year		\$ <u>847,909</u>	

MONTGOMERY COUNTY, ILLINOIS

Township Bridge Program Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended November 30, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest	\$ 100	\$ 573	\$ 473
Intergovernmental	<u>1,011,009</u>	<u>-</u>	<u>(1,011,009)</u>
Total revenues	<u>1,011,109</u>	<u>573</u>	<u>(1,010,536)</u>
Expenditures:			
Bridge construction and engineering	<u>800,000</u>	<u>136,912</u>	<u>663,088</u>
Total expenditures	<u>800,000</u>	<u>136,912</u>	<u>663,088</u>
Net change in fund balance	\$ <u>211,109</u>	(136,339)	\$ <u>(347,448)</u>
Fund balance, beginning of year		<u>140,259</u>	
Fund balance, end of year		\$ <u>3,920</u>	

MONTGOMERY COUNTY, ILLINOIS

**Illinois Municipal Retirement
Required Supplementary Information -
Schedule of Funding Progress
November 30, 2012**

Trend information for the year ended November 30, 2012, is as follows:

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 531,472	\$ 1,497,066	\$ 965,594	35.50%	\$ 146,186	660.52%
12/31/10	111,545	1,359,898	1,248,353	8.20%	141,627	881.44%
12/31/09	264,157	1,447,591	1,183,434	18.25%	193,728	610.87%

On a market value basis, the actuarial value of assets as of December 31, 2011, was \$457,558. On a market basis, the funded ratio would be 30.56%.

Regular Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 12,138,564	\$ 15,764,573	\$ 3,626,009	77.00%	5,723,554	63.35%
12/31/10	11,377,445	14,978,186	3,600,741	75.96%	5,784,126	62.28%
12/31/09	10,539,783	13,610,066	3,070,283	77.44%	5,342,115	57.47%

On a market value basis, the actuarial value of assets as of December 31, 2011, was \$11,596,895. On a market basis, the funded ratio would be 73.56%.

Sheriff's Law Enforcement Personnel (SLEP)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 2,333,819	\$ 2,949,613	\$ 615,794	79.12%	\$ 834,811	73.76%
12/31/10	2,020,027	2,679,372	659,345	75.39%	815,416	80.86%
12/31/09	1,759,545	2,277,331	517,786	77.26%	757,358	68.37%

On a market value basis, the actuarial value of assets as of December 31, 2011, was \$2,222,655. On a market basis, the funded ratio would be 75.35%.

MONTGOMERY COUNTY, ILLINOIS

Notes to Required Supplementary Information November 30, 2012

Note 1 - Budgetary Information

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

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

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

- a. An appropriated budget is legally adopted through the budgetary process on an annual fiscal year basis for all funds.
- b. Officeholders prepare their budget requirements.
- c. Officeholders meet with the various committees and discuss and revise, if necessary, their original budget amounts.
- d. The various committees present the revised budget requests to the Finance Committee for final revision.
- e. The budget goes on public display with a public meeting to obtain taxpayers comments and review additional requests for changes.
- f. The appropriated budget was legally enacted through the passage of an appropriation ordinance by the Board on November 8, 2011. The majority of a quorum is necessary for passage.
- g. Supplemental appropriation ordinances may be passed by the Board should a new unanticipated source of revenue develop for a specific purpose.
- h. All unexpended appropriations lapse at year-end, requiring reappropriation the following year.
- i. The budget is prepared on the GAAP basis.
- j. The legal level of budgetary control is by fund and by department within the General Fund.

MONTGOMERY COUNTY, ILLINOIS

**Notes to Required Supplementary Information
November 30, 2012**

Note 2 - Budgetary Noncompliance

For the year ended November 30, 2012, expenditures exceeded budget at the legal level of control in individual funds as follows:

	<u>Expenditures</u>	<u>Appropriations</u>
County Highway Fund	\$ 584,096	\$ 543,985
Tuberculosis Fund	97,308	84,291
General Fund	8,502,804	8,278,139

Note 3 - Budgetary Basis of Accounting

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

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

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net Other Financing Sources</u>	<u>Fund Balance</u>
Budgetary basis	\$ 6,356,307	\$ 8,556,927	\$ 137,474	\$ 1,832,745
Receivables				
November 30, 2012	923,652	-	-	923,652
November 30, 2011	1,296,317	-	-	-
Payables				
November 30, 2012	-	392,006	-	392,006
November 30, 2011	-	446,129	-	-
	<u>\$ 5,983,642</u>	<u>\$ 8,502,804</u>	<u>\$ 137,474</u>	<u>\$ 2,364,391</u>

OTHER SUPPLEMENTARY INFORMATION
NONMAJOR GOVERNMENTAL FUNDS

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2012**

	Special Revenue Funds	
	Tuberculosis Fund	Social Security Fund
Assets		
Cash	\$ 131,523	\$ 522
Accounts receivable	-	-
Due from other funds	-	1,799
Notes receivable	-	-
Total assets	\$ 131,523	\$ 2,321
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ -	\$ -
Due to other funds	5,499	50,000
Total liabilities	5,499	50,000
Fund Balances:		
Restricted	126,024	-
Assigned	-	-
Unassigned	-	(47,679)
Total fund balances	126,024	(47,679)
Total liabilities and fund balances	\$ 131,523	\$ 2,321

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds
November 30, 2012

<u>Special Revenue Funds</u>				
<u>Senior Citizens Fund</u>	<u>Property & Liability Insurance Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Drug Asset Forfeiture Fund</u>	<u>Veterans Assistance Fund</u>
\$ 57,655	\$ 203,865	\$ 29,175	\$ 7,881	\$ 155,660
-	-	37,072	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 57,655</u>	<u>\$ 203,865</u>	<u>\$ 66,247</u>	<u>\$ 7,881</u>	<u>\$ 155,660</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>71,330</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>71,330</u>	<u>-</u>	<u>-</u>
57,655	203,865	-	-	155,660
-	-	-	7,881	-
<u>-</u>	<u>-</u>	<u>(5,083)</u>	<u>-</u>	<u>-</u>
<u>57,655</u>	<u>203,865</u>	<u>(5,083)</u>	<u>7,881</u>	<u>155,660</u>
<u>\$ 57,655</u>	<u>\$ 203,865</u>	<u>\$ 66,247</u>	<u>\$ 7,881</u>	<u>\$ 155,660</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012**

	<u>Special Revenue Funds</u>	
	<u>County Highway Fund</u>	<u>County Farm Special Bridge Matching Fund</u>
Assets		
Cash	\$ 242,065	\$ 95,409
Accounts receivable	147,404	-
Due from other funds	1,578	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	<u>\$ 391,047</u>	<u>\$ 95,409</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ 16,457	\$ -
Due to other funds	<u>19,384</u>	<u>-</u>
Total liabilities	<u>35,841</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
Assigned	355,206	95,409
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>355,206</u>	<u>95,409</u>
Total liabilities and fund balances	<u>\$ 391,047</u>	<u>\$ 95,409</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012

<u>Special Revenue Funds</u>			
<u>Equipment Fund</u>	<u>County Aid to Bridges Fund</u>	<u>Probation Fee Fund</u>	<u>Record Keeping Improvement Fund</u>
\$ 371,116	\$ 832,421	\$ 255,077	\$ 57,763
43,324	-	3,380	6,998
-	789	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 414,440</u>	<u>\$ 833,210</u>	<u>\$ 258,457</u>	<u>\$ 64,761</u>
\$ -	\$ -	\$ -	\$ 1,095
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095</u>
-	833,210	-	-
414,440	-	258,457	63,666
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>414,440</u>	<u>833,210</u>	<u>258,457</u>	<u>63,666</u>
<u>\$ 414,440</u>	<u>\$ 833,210</u>	<u>\$ 258,457</u>	<u>\$ 64,761</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012**

	<u>Special Revenue Funds</u>	
	<u>Coroner's Fund</u>	<u>Electronic Citation Fund</u>
Assets		
Cash	\$ 12,948	\$ 5,745
Accounts receivable	-	-
Due from other funds	-	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	\$ <u>12,948</u>	\$ <u>5,745</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
Assigned	12,948	5,745
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>12,948</u>	<u>5,745</u>
Total liabilities and fund balances	\$ <u>12,948</u>	\$ <u>5,745</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012

Special Revenue Funds

<u>Document Storage Fund</u>	<u>Victim Impact Fund</u>	<u>Clerk Automation Fund</u>	<u>Drug Court Fund</u>	<u>County Court Fund</u>
\$ 76,604	\$ 3,706	\$ 75,690	\$ 17,122	\$ 326,240
4,295	-	-	-	3,753
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 80,899</u>	<u>\$ 3,706</u>	<u>\$ 75,690</u>	<u>\$ 17,122</u>	<u>\$ 329,993</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,686
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,686</u>
-	-	-	-	-
80,899	3,706	75,690	17,122	327,307
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>80,899</u>	<u>3,706</u>	<u>75,690</u>	<u>17,122</u>	<u>327,307</u>
<u>\$ 80,899</u>	<u>\$ 3,706</u>	<u>\$ 75,690</u>	<u>\$ 17,122</u>	<u>\$ 329,993</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012

	<u>Special Revenue Funds</u>	
	State's Attorney Automation <u>Fund</u>	Automation <u>Fund</u>
Assets		
Cash	\$ 565	\$ 345,844
Accounts receivable	-	4,276
Due from other funds	-	-
Notes receivable	<u>-</u>	<u>-</u>
Total assets	<u>\$ 565</u>	<u>\$ 350,120</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued wages	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Fund Balances:		
Restricted	-	-
Assigned	565	350,120
Unassigned	<u>-</u>	<u>-</u>
Total fund balances	<u>565</u>	<u>350,120</u>
Total liabilities and fund balances	<u>\$ 565</u>	<u>\$ 350,120</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Balance Sheet for Nonmajor Governmental Funds (Continued)
November 30, 2012**

Special Revenue Funds				
County Drug Fund	Law Library Fund	Drug Test Fund	Revolving Loan Fund	Total Nonmajor Governmental Funds
\$ 11,612	\$ 42,102	\$ 15,713	\$ 196,129	\$ 3,570,152
-	1,375	-	-	251,877
-	-	-	-	4,166
-	-	-	33,286	33,286
<u>\$ 11,612</u>	<u>\$ 43,477</u>	<u>\$ 15,713</u>	<u>\$ 229,415</u>	<u>\$ 3,859,481</u>
\$ -	\$ -	\$ -	\$ -	\$ 20,238
-	-	-	-	146,213
-	-	-	-	166,451
-	-	-	-	1,376,414
11,612	43,477	15,713	229,415	2,369,378
-	-	-	-	(52,762)
<u>11,612</u>	<u>43,477</u>	<u>15,713</u>	<u>229,415</u>	<u>3,693,030</u>
<u>\$ 11,612</u>	<u>\$ 43,477</u>	<u>\$ 15,713</u>	<u>\$ 229,415</u>	<u>\$ 3,859,481</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2012**

	Special Revenue Funds	
	Tuberculosis Fund	Social Security Fund
Revenues:		
Property taxes	\$ 91,108	\$ 441,488
Replacement taxes	-	31,333
Intergovernmental	-	1,836
Charges for services	-	-
Miscellaneous	693	-
Interest	<u>838</u>	<u>676</u>
Total revenues	<u>92,639</u>	<u>475,333</u>
Expenditures:		
Current:		
General government	-	547,913
Public safety	-	-
Health and welfare	97,358	-
Transportation	-	-
Judiciary and court-related	-	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>97,358</u>	<u>547,913</u>
Excess (deficiency) of revenues over expenditures	<u>(4,719)</u>	<u>(72,580)</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(4,719)	(72,580)
Fund balances, beginning of year	<u>130,743</u>	<u>24,901</u>
Fund balances, end of year	<u>\$126,024</u>	<u>\$ (47,679)</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended November 30, 2012**

Special Revenue Funds				
Senior Citizens Fund	Property & Liability Insurance Fund	Emergency Telephone System Fund	Drug Asset Forfeiture Fund	Veterans Assistance Fund
\$ 90,348	\$ 350,181	\$ -	\$ -	\$ 78,541
-	-	-	-	-
-	-	-	-	-
-	-	412,065	-	-
-	6,894	1,125	1,143	-
<u>59</u>	<u>357</u>	<u>118</u>	<u>24</u>	<u>766</u>
<u>90,407</u>	<u>357,432</u>	<u>413,308</u>	<u>1,167</u>	<u>79,307</u>
92,328	342,859	-	68	-
-	-	417,475	-	-
-	-	-	-	53,563
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>92,328</u>	<u>342,859</u>	<u>417,475</u>	<u>68</u>	<u>53,563</u>
<u>(1,921)</u>	<u>14,573</u>	<u>(4,167)</u>	<u>1,099</u>	<u>25,744</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>(1,921)</u>	<u>14,573</u>	<u>(4,167)</u>	<u>1,099</u>	<u>25,744</u>
<u>59,576</u>	<u>189,292</u>	<u>(916)</u>	<u>6,782</u>	<u>129,916</u>
<u>\$57,655</u>	<u>\$ 203,865</u>	<u>\$ (5,083)</u>	<u>\$ 7,881</u>	<u>\$ 155,660</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended November 30, 2012**

	Special Revenue Funds	
	County Highway Fund	County Farm Special Bridge Matching Fund
Revenues:		
Property taxes	\$ 392,715	\$ -
Replacement taxes	26,823	-
Intergovernmental	-	-
Charges for services	-	-
Miscellaneous	87,284	-
Interest	<u>1,528</u>	<u>663</u>
Total revenues	<u>508,350</u>	<u>663</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Transportation	575,096	-
Judiciary and court-related	-	-
Capital outlay	<u>9,000</u>	<u>-</u>
Total expenditures	<u>584,096</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(75,746)</u>	<u>663</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	(75,746)	663
Fund balances, beginning of year	<u>430,952</u>	<u>94,746</u>
Fund balances, end of year	<u>\$ 355,206</u>	<u>\$ 95,409</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended November 30, 2012**

Special Revenue Funds			
Equipment Fund	County Aid to Bridges Fund	Probation Fee Fund	Record Keeping Improvement Fund
\$ -	\$ 196,355	\$ -	\$ -
-	13,739	-	-
-	32,073	-	-
-	-	72,426	78,675
147,218	124,453	-	-
<u>2,433</u>	<u>5,279</u>	<u>1,683</u>	<u>168</u>
<u>149,651</u>	<u>371,899</u>	<u>74,109</u>	<u>78,843</u>
-	-	-	-
-	-	-	-
-	-	-	-
29,658	288,096	-	-
-	-	92,508	44,421
<u>92,013</u>	<u>-</u>	<u>28,741</u>	<u>-</u>
<u>121,671</u>	<u>288,096</u>	<u>121,249</u>	<u>44,421</u>
<u>27,980</u>	<u>83,803</u>	<u>(47,140)</u>	<u>34,422</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
27,980	83,803	(47,140)	34,422
<u>386,460</u>	<u>749,407</u>	<u>305,597</u>	<u>29,244</u>
\$ <u>414,440</u>	\$ <u>833,210</u>	\$ <u>258,457</u>	\$ <u>63,666</u>

MONTGOMERY COUNTY, ILLINOIS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds (Continued)
 Year Ended November 30, 2012

	<u>Special Revenue Funds</u>	
	<u>Coroner's Fund</u>	<u>Electronic Citation Fund</u>
Revenues:		
Property taxes	\$ -	\$ -
Replacement taxes	-	-
Intergovernmental	-	-
Charges for services	8,438	4,039
Miscellaneous	-	-
Interest	<u>-</u>	<u>-</u>
Total revenues	<u>8,438</u>	<u>4,039</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Transportation	-	-
Judiciary and court-related	-	-
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>8,438</u>	<u>4,039</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	8,438	4,039
Fund balances, beginning of year	<u>4,510</u>	<u>1,706</u>
Fund balances, end of year	\$ <u>12,948</u>	\$ <u>5,745</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended November 30, 2011**

Special Revenue Funds

<u>Document Storage Fund</u>	<u>Victim Impact Fund</u>	<u>Clerk Automation Fund</u>	<u>Drug Court Fund</u>	<u>County Court Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	35,000	-
53,723	1,005	30,991	42,612	45,516
-	-	-	-	-
<u>523</u>	<u>9</u>	<u>359</u>	<u>53</u>	<u>2,076</u>
<u>54,246</u>	<u>1,014</u>	<u>31,350</u>	<u>77,665</u>	<u>47,592</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
71,336	242	2,708	110,149	18,223
-	-	-	-	-
<u>71,336</u>	<u>242</u>	<u>2,708</u>	<u>110,149</u>	<u>18,223</u>
(17,090)	<u>772</u>	<u>28,642</u>	<u>(32,484)</u>	<u>29,369</u>
-	-	-	-	-
-	-	-	-	(40,000)
-	-	-	-	(40,000)
(17,090)	772	28,642	(32,484)	(10,631)
<u>97,989</u>	<u>2,934</u>	<u>47,048</u>	<u>49,606</u>	<u>337,938</u>
<u>\$ 80,899</u>	<u>\$ 3,706</u>	<u>\$ 75,690</u>	<u>\$ 17,122</u>	<u>\$ 327,307</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended November 30, 2012**

	Special Revenue Funds	
	State's Attorney Automation Fund	Automation Fund
Revenues:		
Property taxes	\$ -	\$ -
Replacement taxes	-	-
Intergovernmental	-	53,319
Charges for services	565	-
Miscellaneous	-	2,250
Interest	<u>-</u>	<u>-</u>
Total revenues	<u>565</u>	<u>55,569</u>
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Health and welfare	-	-
Transportation	-	-
Judiciary and court-related	-	17,485
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>17,485</u>
Excess (deficiency) of revenues over expenditures	<u>565</u>	<u>38,084</u>
Other financing sources (uses):		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	565	38,084
Fund balances, beginning of year	<u>-</u>	<u>312,036</u>
Fund balances, end of year	<u>\$ 565</u>	<u>\$ 350,120</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year Ended November 30, 2012**

Special Revenue Funds				
County Drug Fund	Law Library Fund	Drug Test Fund	Revolving Loan Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,640,736
-	-	-	-	71,895
2,480	-	-	-	124,708
-	17,640	32,922	-	800,617
-	-	-	-	371,060
-	<u>280</u>	<u>67</u>	<u>1,283</u>	<u>19,242</u>
<u>2,480</u>	<u>17,920</u>	<u>32,989</u>	<u>1,283</u>	<u>3,028,258</u>
-	-	-	48,604	1,031,772
-	-	-	-	417,475
-	-	-	-	150,921
-	-	-	-	892,850
7,294	14,661	21,630	-	400,657
-	-	-	-	<u>129,754</u>
<u>7,294</u>	<u>14,661</u>	<u>21,630</u>	<u>48,604</u>	<u>3,023,429</u>
<u>(4,814)</u>	<u>3,259</u>	<u>11,359</u>	<u>(47,321)</u>	<u>4,829</u>
-	-	-	-	-
-	-	-	-	<u>(40,000)</u>
-	-	-	-	<u>(40,000)</u>
(4,814)	3,259	11,359	(47,321)	(35,171)
<u>16,426</u>	<u>40,218</u>	<u>4,354</u>	<u>276,736</u>	<u>3,728,201</u>
\$ <u>11,612</u>	\$ <u>43,477</u>	\$ <u>15,713</u>	\$ <u>229,415</u>	\$ <u>3,693,030</u>

AGENCY FUNDS

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
November 30, 2012**

	<u>Circuit Clerk's Fund</u>	<u>County Clerk's Fund</u>	<u>Emergency Management Agency Funds</u>
<u>Assets</u>			
Cash	\$ 374,562	\$ 102,197	\$ 118,005
Certificates of deposit	143,550	-	-
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 518,112</u>	<u>\$ 102,197</u>	<u>\$ 118,005</u>
<u>Liabilities</u>			
Due to others	\$ 518,112	\$ 102,197	\$ 118,005
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 518,112</u>	<u>\$ 102,197</u>	<u>\$ 118,005</u>

MONTGOMERY COUNTY, ILLINOIS

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
November 30, 2012**

<u>Sheriff's Funds</u>	<u>State's Attorney Fund</u>	<u>Probation Fund</u>	<u>Township Motor Fuel Tax Fund</u>	<u>County Treasurer's Other Funds</u>	<u>Total</u>
\$ 154,385	\$ 468	\$ 806	\$ 334,073	\$ 282,360	\$ 1,366,856
-	-	-	-	-	143,550
<u>-</u>	<u>-</u>	<u>-</u>	<u>105,864</u>	<u>12,250</u>	<u>118,114</u>
\$ <u>154,385</u>	\$ <u>468</u>	\$ <u>806</u>	\$ <u>439,937</u>	\$ <u>294,610</u>	\$ <u>1,628,520</u>
\$ -	\$ -	\$ -	\$ 439,937	\$ 274,256	\$ 1,452,507
<u>154,385</u>	<u>468</u>	<u>806</u>	<u>-</u>	<u>20,354</u>	<u>176,013</u>
\$ <u>154,385</u>	\$ <u>468</u>	\$ <u>806</u>	\$ <u>439,937</u>	\$ <u>294,610</u>	\$ <u>1,628,520</u>

MONTGOMERY COUNTY, ILLINOIS

Circuit Clerk's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
<u>Assets</u>				
Cash	\$ 399,286	\$ 2,723,672	\$ 2,748,396	\$ 374,562
Certificates of deposit	<u>143,506</u>	<u>44</u>	<u>-</u>	<u>143,550</u>
Total assets	\$ <u>542,792</u>	\$ <u>2,723,716</u>	\$ <u>2,748,396</u>	\$ <u>518,112</u>
<u>Liabilities</u>				
Deposits payable and due to others	\$ <u>542,792</u>	\$ <u>2,723,716</u>	\$ <u>2,748,396</u>	\$ <u>518,112</u>
Total liabilities	\$ <u>542,792</u>	\$ <u>2,723,716</u>	\$ <u>2,748,396</u>	\$ <u>518,112</u>

MONTGOMERY COUNTY, ILLINOIS

County Clerk's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
<u>Assets</u>				
Cash	\$ <u>84,082</u>	\$ <u>1,122,983</u>	\$ <u>1,104,868</u>	\$ <u>102,197</u>
<u>Liabilities</u>				
Due to others	\$ <u>84,082</u>	\$ <u>1,122,983</u>	\$ <u>1,104,868</u>	\$ <u>102,197</u>

MONTGOMERY COUNTY, ILLINOIS

**Emergency Management Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012**

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
Revolving Fund - EMA:				
<u>Assets</u>				
Cash	\$ <u>514</u>	\$ <u>5,604</u>	\$ <u>4,518</u>	\$ <u>1,600</u>
<u>Liabilities</u>				
Due to other governmental agencies and others	\$ <u>514</u>	\$ <u>5,604</u>	\$ <u>4,518</u>	\$ <u>1,600</u>
Ambulance Fund:				
<u>Assets</u>				
Cash	\$ <u>90,596</u>	\$ <u>1,353,374</u>	\$ <u>1,327,565</u>	\$ <u>116,405</u>
<u>Liabilities</u>				
Due to other governmental agencies and others	\$ <u>90,596</u>	\$ <u>1,353,374</u>	\$ <u>1,327,565</u>	\$ <u>116,405</u>
Total Emergency Management Agency Funds:				
<u>Assets</u>				
Cash	\$ <u>91,110</u>	\$ <u>1,358,978</u>	\$ <u>1,332,083</u>	\$ <u>118,005</u>
<u>Liabilities</u>				
Due to other governmental agencies	\$ 90,596	\$ 1,353,374	\$ 1,327,565	\$ 116,405
Due to other funds	<u>514</u>	<u>5,604</u>	<u>4,518</u>	<u>1,600</u>
Total liabilities	\$ <u>91,110</u>	\$ <u>1,358,978</u>	\$ <u>1,332,083</u>	\$ <u>118,005</u>

MONTGOMERY COUNTY, ILLINOIS

Sheriff's Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
<u>Assets</u>				
Cash	\$ <u>150,013</u>	\$ <u>443,555</u>	\$ <u>439,183</u>	\$ <u>154,385</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>150,013</u>	\$ <u>443,555</u>	\$ <u>439,183</u>	\$ <u>154,385</u>

MONTGOMERY COUNTY, ILLINOIS

State's Attorney Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
<u>Assets</u>				
Cash	\$ <u>972</u>	\$ <u>443</u>	\$ <u>947</u>	\$ <u>468</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>972</u>	\$ <u>443</u>	\$ <u>947</u>	\$ <u>468</u>

MONTGOMERY COUNTY, ILLINOIS

Probation Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
<u>Assets</u>				
Cash	\$ <u>734</u>	\$ <u>1,483</u>	\$ <u>1,411</u>	\$ <u>806</u>
<u>Liabilities</u>				
Due to other funds	\$ <u>734</u>	\$ <u>1,483</u>	\$ <u>1,411</u>	\$ <u>806</u>

MONTGOMERY COUNTY, ILLINOIS

**Township Motor Fuel Tax Fund
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012**

	Balance December 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance November 30, <u>2012</u>
<u>Assets</u>				
Cash	\$ 443,563	\$ 1,583,503	\$ 1,692,993	\$ 334,073
Receivables	<u>110,249</u>	<u>-</u>	<u>4,385</u>	<u>105,864</u>
Total assets	\$ <u>553,812</u>	\$ <u>1,583,503</u>	\$ <u>1,697,378</u>	\$ <u>439,937</u>
<u>Liabilities</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other taxing units	<u>553,812</u>	<u>1,583,503</u>	<u>1,697,378</u>	<u>439,937</u>
Total liabilities	\$ <u>553,812</u>	\$ <u>1,583,503</u>	\$ <u>1,697,378</u>	\$ <u>439,937</u>

MONTGOMERY COUNTY, ILLINOIS

**County Treasurer's Other Funds
Statement of Changes in Assets and Liabilities
Year Ended November 30, 2012**

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
Clearing Accounts:				
<u>Assets</u>				
Cash	\$ 15,972	\$ 214,345	\$ 222,213	\$ 8,104
Receivable - State of Illinois	<u>7,629</u>	<u>4,621</u>	<u>-</u>	<u>12,250</u>
	\$ <u>23,601</u>	\$ <u>218,966</u>	\$ <u>222,213</u>	\$ <u>20,354</u>
 <u>Liabilities</u>				
Due to other funds	\$ <u>23,601</u>	\$ <u>218,966</u>	\$ <u>222,213</u>	\$ <u>20,354</u>
 Drainage District Funds:				
<u>Assets</u>				
Cash	\$ <u>238,613</u>	\$ <u>145,242</u>	\$ <u>156,924</u>	\$ <u>226,931</u>
 <u>Liabilities</u>				
Due to drainage districts	\$ <u>238,613</u>	\$ <u>145,242</u>	\$ <u>156,924</u>	\$ <u>226,931</u>
 Trustee Auction Escrow:				
<u>Assets</u>				
Cash	\$ <u>-</u>	\$ <u>32,848</u>	\$ <u>23,011</u>	\$ <u>9,837</u>
 <u>Liabilities</u>				
Due to others	\$ <u>-</u>	\$ <u>32,848</u>	\$ <u>23,011</u>	\$ <u>9,837</u>

MONTGOMERY COUNTY, ILLINOIS

County Treasurer's Other Funds
 Statement of Changes in Assets and Liabilities (Continued)
 Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
Inheritance Tax Fund:				
<u>Assets</u>				
Cash	\$ <u>10,070</u>	\$ <u>102,418</u>	\$ <u>112,488</u>	\$ <u>-</u>
<u>Liabilities</u>				
Due to other governmental agencies	\$ <u>10,070</u>	\$ <u>102,418</u>	\$ <u>112,488</u>	\$ <u>-</u>
Condemnation Suits Fund:				
<u>Assets</u>				
Cash	\$ <u>2,945</u>	\$ <u>3</u>	\$ <u>-</u>	\$ <u>2,948</u>
<u>Liabilities</u>				
Due to others	\$ <u>2,945</u>	\$ <u>3</u>	\$ <u>-</u>	\$ <u>2,948</u>
County Treasurer Escheats Fund:				
<u>Assets</u>				
Cash	\$ <u>58,655</u>	\$ <u>293</u>	\$ <u>25,492</u>	\$ <u>33,456</u>
<u>Liabilities</u>				
Due to others	\$ <u>58,655</u>	\$ <u>293</u>	\$ <u>25,492</u>	\$ <u>33,456</u>
Delinquent Property Fund:				
<u>Assets</u>				
Cash	\$ <u>1,654</u>	\$ <u>1,000</u>	\$ <u>2,654</u>	\$ <u>-</u>
<u>Liabilities</u>				
Due to others	\$ <u>1,654</u>	\$ <u>1,000</u>	\$ <u>2,654</u>	\$ <u>-</u>

MONTGOMERY COUNTY, ILLINOIS

County Treasurer's Other Funds
 Statement of Changes in Assets and Liabilities (Continued)
 Year Ended November 30, 2012

	<u>Balance December 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance November 30, 2012</u>
Collector's Funds:				
<u>Assets</u>				
Cash	\$ <u>1,467</u>	\$ <u>34,236,249</u>	\$ <u>34,236,632</u>	\$ <u>1,084</u>
<u>Liabilities</u>				
Due to taxing bodies	\$ <u>1,467</u>	\$ <u>34,236,249</u>	\$ <u>34,236,632</u>	\$ <u>1,084</u>
 Total County Treasurer's Funds:				
<u>Assets</u>				
Cash	\$ 329,376	\$ 34,732,398	\$ 34,779,414	\$ 282,360
Accounts receivable	<u>7,629</u>	<u>4,621</u>	<u>-</u>	<u>12,250</u>
Total assets	\$ <u>337,005</u>	\$ <u>34,737,019</u>	\$ <u>34,779,414</u>	\$ <u>294,610</u>
<u>Liabilities</u>				
Due to taxing bodies	\$ 1,467	\$ 34,236,249	\$ 34,236,632	\$ 1,084
Due to drainage districts	238,613	145,242	156,924	226,931
Due to others	63,254	34,144	51,157	46,241
Due to other governmental agencies	10,070	102,418	112,488	-
Due to other funds	<u>23,601</u>	<u>218,966</u>	<u>222,213</u>	<u>20,354</u>
Total liabilities	\$ <u>337,005</u>	\$ <u>34,737,019</u>	\$ <u>34,779,414</u>	\$ <u>294,610</u>

SINGLE AUDIT SECTION

PATTON & COMPANY, P.C.

Certified Public Accountants

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Members of Montgomery County Board
Hillsboro, Illinois:

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, 2012, which collectively comprise Montgomery County, Illinois', basic financial statements and have issued our report thereon dated April 5, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Montgomery County, Illinois, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Montgomery County, Illinois', internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Montgomery County, Illinois', internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

Compliance and Other Matters

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

We noted certain other matters that we reported to management of Montgomery County, Illinois, in a separate letter dated April 5, 2013.

This report is intended solely for the information and use of the finance committee, management, County Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Patton & Company, P.C.
Patton & Company, P.C.
Hillsboro, Illinois

April 5, 2013

PATTON & COMPANY, P.C.

Certified Public Accountants

R.M. Patton
Amy M. Hunt
Kyle L. Putnam

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Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Members of Montgomery County Board
Hillsboro, Illinois:

Compliance

We have audited the compliance of Montgomery County, Illinois, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Montgomery County, Illinois', major federal programs for the year ended November 30, 2012. Montgomery County, Illinois', major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Montgomery County, Illinois', management. Our responsibility is to express an opinion on Montgomery County, Illinois', compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance, with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of Montgomery County, Illinois', compliance with those requirements.

In our opinion, Montgomery County, Illinois, complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of Montgomery County, Illinois, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Montgomery County, Illinois', internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Montgomery County, Illinois', internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended for the information of the finance committee, management, others within the organization, County Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Patton & Company, P.C.
Hillsboro, Illinois

April 5, 2013

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2012**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Major Programs:				
U.S. Department of Agriculture				
Illinois Department of Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	FCSRE00187	7/1/12-6/30/13	\$ 6,000
	10.557	FCSRE00836	7/1/12-6/30/13	40,400
	10.557	FCSRE00836	7/1/11-6/30/12	367,449
	10.557	011GQ01231	7/1/11-6/30/12	82,337
	10.557	011GQ01625	7/1/11-6/30/12	<u>16,667</u>
Total major programs				\$ <u>512,853</u>
Nonmajor Programs:				
U.S. Department of Health and Human Services				
Illinois Department of Human Services				
Prevention and Treatment of Substance Abuse Block Grant	93.959	43CRC00283	7/1/12-6/30/13	\$ 20,535
	93.959	FCSRE01386	7/1/12-6/30/13	21,600
	93.959	011GQ01737	7/1/11-6/30/12	12,643
	93.959	43CQQA1476	7/1/11-6/30/12	<u>28,197</u>
				\$ <u>82,975</u>
U.S. Department of Health and Human Services				
Illinois Department of Human Services				
Social Services Block Grant	93.667	FCSRE01585	7/1/12-6/30/13	\$ 4,000
	93.667	011GQ00148	7/1/11-6/30/12	<u>2,667</u>
				\$ <u>6,667</u>
Environmental Protection Agency				
Illinois Department of Public Health				
Expense Implement Federal Award	66.432			\$ <u>63</u>
U.S. Department of Health and Human Services				
Illinois Department of Public Health				
Center for Disease Control and Prevention - Investigations and Technical Assistance- Breast and Cervical Cancer Screening Program	93.283	36180024A		\$ 109,042
	93.283	26180024		<u>43,956</u>
				\$ <u>152,998</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2012**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Nonmajor Programs, continued				
U.S. Department of Health and Human Services Illinois Department of Public Health Emergency Preparedness	93.069	27180065		\$ <u>45,989</u>
U.S. Department of Health and Human Services Title III B, Title III E Grants for Supportive Services and Senior Citizens				
	93.044	IA02-13	11/1/12 - 10/31/13	\$ 380
	93.044	IA02-12B	11/1/11 - 10/31/12	498
	93.044	IA02-12A	11/1/11 - 10/31/12	2,460
	93.044	AA02-13	10/1/12 - 09/30/13	292
	93.044	AA02-12	10/1/11 - 09/30/12	2,917
	93.044	IA02-12C	11/1/12 - 09/30/13	<u>3,841</u>
				<u>\$ 10,388</u>
Title VII Chapter 3 Programs for Prevention of Elder Abuse, Neglect and Exploitation				
	93.041	MT02-13	10/1/12 - 09/30/13	\$ 250
	93.041	MT02-12	10/1/11 - 09/30/12	<u>2,500</u>
				<u>\$ 2,750</u>
U.S. Department of Health and Human Services Illinois Department of Human Services Child Support Enforcement				
	93.563		07/1/11 - 06/30/12	\$ <u>7,717</u>
U.S. Department of Health and Human Services Illinois Department of Human Services Community of Mental Health Services Block Grant				
	93.958	45CRB00194	07/1/12 - 06/30/13	\$ <u>3,568</u>
U.S. Department of Agriculture Illinois Department of Public Health Expense Implement Federal Award				
	10.559			\$ <u>100</u>
U.S. Department of Health and Human Services Illinois Department of Public Health Expenses of PHHS Block Grants				
	93.991	VH452		\$ <u>1,146</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Expenditures of Federal Awards
Year Ended November 30, 2012**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass through Entity Identifying Number</u>	<u>Grant Period</u>	<u>Total Federal Expenditures</u>
Nonmajor Programs, continued				
U.S. Department of Homeland Security				
Illinois Emergency Management Agency				
Emergency Management Performance Grants	97.042		10/01/10 - 09/30/11	\$ 28,926
			07/01/12 - 09/12/12	<u>701</u>
				\$ <u>29,627</u>
U.S. Department of Health and Human Services				
Voting Access for Individuals with Disabilities				
	93.617		05/01/11 - 12/01/12	\$ <u>2,200</u>
U.S. Election Assistance Commission				
Help America Vote Act Requirement Payments				
	90.401			\$ <u>6,111</u>
Department of Justice				
Bureau of Justice Assistance				
Drug Court Discretionary Grant Program				
	16.585		10/01/10 - 09/30/13	\$ <u>103,359</u>
U.S. Department of Energy				
Energy Efficiency and Conservation Block Grant Program				
	81.128		12/01/10 - 12/31/12	\$ <u>140,633</u>
Total nonmajor programs				\$ <u>596,291</u>
Total federal expenditures				\$ <u>1,109,144</u>

See accompanying notes to schedule of expenditures of federal awards.

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2012**

Section I - Summary of Auditor's Results

November 30, 2012 Financial Statements

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

MONTGOMERY COUNTY, ILLINOIS

**Schedule of Findings and Questioned Costs
Year Ended November 30, 2012**

Section II - Financial Statements Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Section N - Prior Audit Findings

No matters were reported.

MONTGOMERY COUNTY, ILLINOIS

**Notes to Schedule of Expenditures of Federal Awards
Year Ended November 30, 2012**

Note 1 - Basis of Presentation:

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

Note 2 - Insurance:

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

Note 3 - Loan or Loan Guarantees:

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

Note 4 - Payments to Subrecipients

No amounts were provided to subrecipients for the year ended November 30, 2012.