

VILLAGE OF MONTGOMERY, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2016



September 29, 2016

The Honorable Village President
Members of the Board of Trustees
Village of Montgomery, Illinois

In planning and performing our audit of the financial statements of the Village of Montgomery (Village), Illinois, for the year ended April 30, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the Village of Montgomery, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

Lauterbach & Amen LLP
LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. FUNDS WITH DEFICIT FUND BALANCE

Comment

During our current year-end audit procedures, we noted the below funds with deficit fund balance. See the following April 30, 2016 fund balances:

Fund	4/30/16
Balmorea Special Service Area	\$ (11,854)
Tax Increment Financing District #2	(29,674)

Recommendation

We recommend the Village investigate the causes of the various deficits and adopt appropriate future funding measures.

Management Response

The Village is aware of the deficit fund balance in each fund. Both instances have resulted from spending cash prior to receipt and will be corrected over time.

2. FUNDS OVER BUDGET

Comment

During our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	4/30/16
Infrastructure Improvement	\$ 1,006,217
Police Drug	18,683
Emergency 911	30,340
Police Gift	325
Balmorea Special Service Area	1,098
Fairfield Way Special Service Area	3,402
Foxmoor Special Service Area	16,639
Tax Increment Financing District #2	6,911
Orchard Prairie North Special Service Area	1,000
Police Pension	92,600

Recommendation

We recommend the Village investigate the causes of the funds over budget and adopt appropriate future funding measures.

Management Response

The Village is aware of the excess of actual expenditures over budget in each fund. Additional revenue or existing fund equity was utilized for the expenditures noted above.