

VILLAGE OF
MONTGOMERY, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2020



August 29, 2020

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, 2020, 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

PRIOR RECOMMENDATIONS

1. FUNDS OVER BUDGET

Comment

Previously and 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:

<u>Fund</u>	<u>4/30/2019</u>	<u>4/30/2020</u>
General	\$ -	110,873
Debt Service	1,200	-
Capital Improvement	3,047	6,953
Motor Fuel Tax	116,725	-
Police Gift	-	-
Montgomery Crossing Special Service Area	2,503	-
Blackberry Crossing Special Service Area	525	345
Ogden Hill Special Service Area	-	5,670
Marquis Pointe Special Service Area	-	3,330
Arbor Ridge Special Service Area	-	2,203
Fairfield Way Special Service Area	5,616	7,216
Foxmoor Special Service Area	2,092	3,058
Tax Increment Financing District #1	-	11,468
Saratoga Special Service Area	761	27
Orchard Prairie North Special Service Area	-	74
Blackberry Crossing West Special Service Area	4,832	54
Fieldstone Special Service Area	-	1,300
Vehicle and Equipment Replacement	-	36,478
Lakewood Creek Project	1,183	-
Water - Water Account	42,723	-
Refuse	1,166	295
Police Pension	22,372	100,024

Recommendation

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

Status

This comment has not been implemented and will be repeated in the future.

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.

PRIOR RECOMMENDATIONS – Continued

2. FUND WITH DEFICIT FUND BALANCE

Comment

Previously, we noted the below fund with deficit fund balance:

Fund	4/30/19
Refuse	\$ (1,385)

Recommendation

We recommended the Village investigate the cause of the deficit and adopt appropriate future funding measures.

Status

This comment has been implemented and will not be repeated in the future.