



# VILLAGE OF MONTGOMERY, ILLINOIS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

MAY 1, 2015–APRIL 30, 2016



**VILLAGE OF MONTGOMERY,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2016**

Prepared by:  
Justin VanVooren, Director of Finance

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Montgomery including the list of principal officials, the organization chart, the letter of transmittal, and the certificate of achievement for excellence in financial reporting.



## VILLAGE OF MONTGOMERY Principal Officials

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### **Village President**

Matthew Brolley  
(Term expires April 2017)

### **Village Trustees**

Steve Jungermann  
(Term Expires April 2017)

Stan Bond  
(Term Expires April 2019)

Denny Lee  
(Term Expires April 2017)

Pete Heinz  
(Term Expires April 2019)

Theresa Sperling  
(Term Expires April 2017)

Doug Marecek  
(Term Expires April 2019)

**Village Clerk**  
Tiffany Francis  
(Term Expires April 2017)

### **Management Staff**

Jeff Zoephel

Village Administrator

Daniel Meyers

Chief of Police

Todd Hoppenstedt

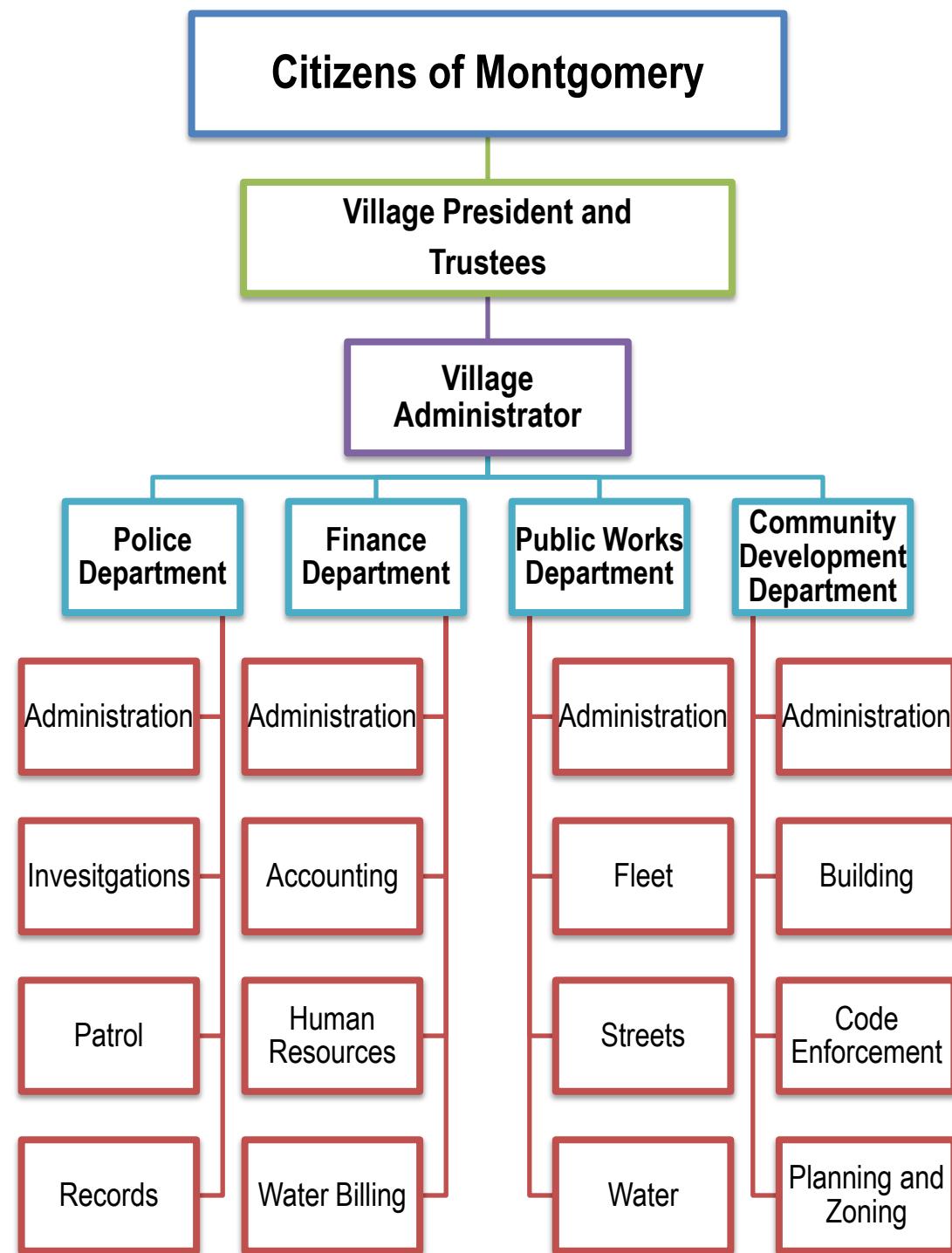
Director of Public Works

Justin VanVooren

Director of Finance

Richard Young

Director of Community Development





## Village Board

**Matt Brolley**  
Village President

**Tiffany Francis**  
Village Clerk

**Trustees:**  
Stan Bond  
Peter Heinz  
Steve Jungermann  
Denny Lee  
Doug Marecek  
Theresa Sperling

September 29, 2016

The Honorable Village President  
Members of the Board of Trustees  
Village Administrator  
Citizens of the Village of Montgomery

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2016, is hereby submitted.

## Staff

**Jeff Zoephel**  
Village  
Administrator

**Daniel Meyers**  
Chief of Police

**Todd Hoppenstedt**  
Dir. of Public Works

**Justin VanVooren**  
Director of Finance

**Richard Young**  
Dir. of Community  
Development

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of the internal controls should not exceed anticipated benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the year ended April 30, 2016, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the Village's financial statements for the fiscal year ended April 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Village of Montgomery**

The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest, and Yorkville to the southwest. Montgomery also sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major

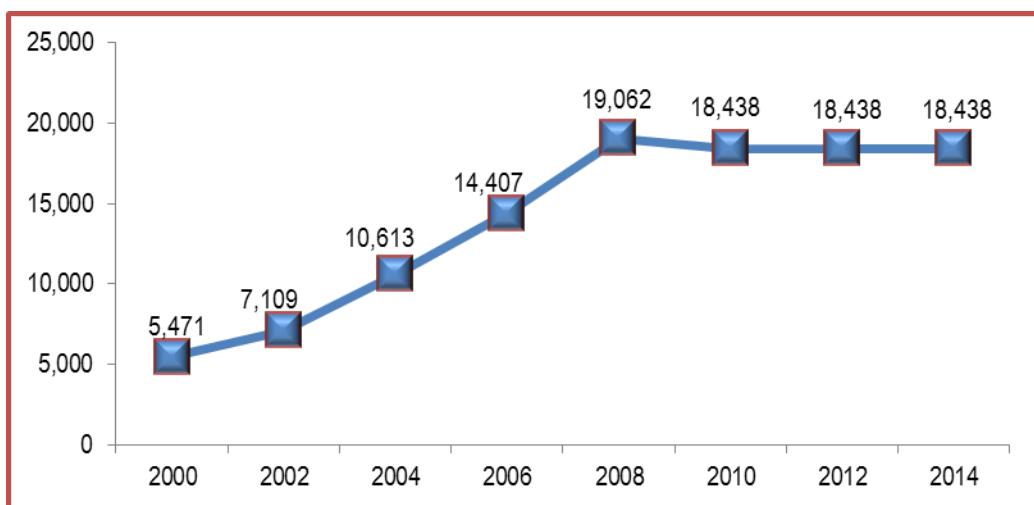
transportation corridors, including U.S. Route 30, U.S. Route 34, IL Route 47, and Interstate 88, which runs east-west approximately 3.5 miles north of the Village.

Montgomery was founded in 1835 by entrepreneur Daniel Gray, who purchased several land grants from the Federal government and pursued industrial development along the Fox River. The settlement was called "Graystown" for several years, but eventually he persuaded the other settlers to call the little village "Montgomery" after the county in New York that he and several other settlers had come from. Daniel Gray was a man of much energy and enterprise. No sooner had he settled in the place than he commenced improvements on a grand scale. A store, foundry, reaper and header manufacturing shop over 100 feet in length, a second foundry built of stone, and one of the best stone grist-mills in the country, appeared in rapid succession. The stone grist mill, built by Gray in 1853, has been beautifully restored and is listed on the National Register of Historic Places. The Village of Montgomery was incorporated in 1858.

Montgomery's early growth continued to align with its industrial roots. After a brief setback in growth, due to the arrival of the McCormick Works at Chicago that out competed Montgomery's reaper plant, the construction of the Chicago, Burlington & Quincy (CB&Q) Railroad reinvigorated local industrial activity. The rail line shipped Montgomery's produce, spring water, and livestock to Chicago markets. In 1899, Riverview Park (later Fox River Park) opened as an amusement park, which drew crowds from as far as Morris and Chicago on express interurbans. The park was replaced in 1943 by United Wallpaper Company and then by AT&T. Lyon Metallic, Montgomery's first modern factory, moved to Montgomery from Chicago in 1906, drawing a reverse commute from Aurora and further stabilizing the economy. The introduction of Caterpillar, the world's leading manufacturer of construction and mining equipment, further cemented the Village's strong industrial core.

For many years, Montgomery maintained a fairly stable population of around 5,000 residents, with 5,471 residents at the 2000 decennial census. However, a sharp increase in residential development after 2000 has altered the industrial character and transformed Montgomery into a more suburban community of 18,438 residents by the 2010 decennial census. Despite an astounding population increase of 237% in just ten years, Montgomery has been successful in maintaining its warm, small-town atmosphere. The graph below shows Montgomery's population growth throughout the years.

**Montgomery's Population Growth**



Policy making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to staggered four-year terms. The Village Clerk is also elected to a four year term. The Village Board is responsible for, among other things, passing ordinances and resolutions, adopting the budget, and appointing a full-time professional Village Administrator. The Village Administrator is responsible for the day-to-day operations and staffing of the Village.



The Village Board, pictured from left to right, includes: front row – Village Trustee Theresa Sperling, Village Trustee Denny Lee, Village President Matt Brolley, Village Clerk Tiffany Francis, Village Trustee Pete Heinz; back row – Village Trustee Steve Jungermann, Village Trustee Doug Marecek, and Village Trustee Stan Bond.

The Village of Montgomery is committed to providing their citizens with a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services.

The overall goal of the budget process is to present the Village Board with a budget that best addresses the needs and desires of the Village of Montgomery in the most efficient and effective manner possible. The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and makes decisions regarding their continued use. The process, if conducted effectively, will result in a clearly spelled out plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed.

The budget process for the Village of Montgomery involves the citizens, the Village President and Village Board, Village Administrator, Department Heads, supervisors and many others throughout the organization. Each person plays a critical role in the development of the budget for the upcoming year. Department

Heads are responsible for evaluating the needs of their departments and divisions, soliciting input from supervisors and staff, and compiling those needs and priorities into a cohesive and straightforward budget request. The Village Board is critical in evaluating the budget, asking questions, and eventually approving the budget. Residents and their needs are, of course, the driving force behind the budget process.

The Village has adopted sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) providing for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance. The budget process in the Village of Montgomery extends over seven months and culminates in April with the Village Board's adoption of the Village budget in advance of the beginning of the new fiscal year on May 1. The approved budget provides the authority to expend funds in the new fiscal year. Although much of the time and effort in preparing the budget takes place during the months of October through March, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

In November, the Finance Department distributes budget worksheets to the operating departments. Each Department is responsible for submitting its own budget requests following detailed instructions. The operating departments prepare their budget requests and submit them to the Finance Department in January. Upon receipt of the departmental budget requests, the Finance Department compiles the draft budget. Revenue estimates are prepared by the Finance Department based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The product is the budget as proposed by the Director of Finance to the Village Administrator.

The Village Administrator and Director of Finance meet with the director of each department individually in January to discuss each respective budget request. The Village Administrator reviews all departmental budget requests, ensures that they are consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan. The overall goal of the process is to have the Village Administrator recommend a balanced budget to the Village Board for review and adoption.

The Village Board and staff conduct a series of meetings beginning in February and ending in March and a public hearing in March on various aspects of the budget in order to allow for input on the process by residents of the community and to meet the Village's statutory obligations. Opportunities to participate in public meetings are noticed in the local newspaper and on the Village's website. The Village Administrator, Finance Director, and Department Heads are present at the hearings to address the issues and concerns by the Village President, Trustees and general public.

Based upon staff recommendations and its own findings, the Village Board may direct additions, deletions, or revisions to the proposed budget. The Finance Director revises the proposed budget as directed by the Village Board and the Finance Director submits it to the Village Board for formal approval in April. The final budget is adopted by ordinance. As noted previously, the budget ordinance must be adopted prior to the start of the fiscal year and filed with the county clerk within 30 days of adoption.

## **Local Economy**

Municipal revenue streams traditionally have been reasonably constant and predictable. For municipalities in their growth stage, such as Montgomery, expenditure growth frequently exceeds revenue needed to fund new operating and capital programs. The budget cycle provides an opportunity to review lists of new services and programs which could be provided to residents and enhance the Village.

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand

for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Between fiscal year 2011 and fiscal year 2015, the Village reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

However, the Village saw residential, commercial, and industrial development rebound beginning in fiscal year 2015 and further into fiscal year 2016. Residential permits were up again this fiscal year, while commercial and industrial sectors continue to thrive in the community. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including O'Reilly Auto Parts and Speedway, as well as other new businesses occupying vacant buildings like Food Market La Chiquita and South Moon BBQ. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the Riverview Diner across the Fox River from the Village Hall.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. This new revenue source will be utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new bulk sugar storage and transfer facility. The 20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself will stand 134 feet high and 183 feet wide. There is also room for a second dome. The dome will hold over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility will be the largest single sugar storage asset in the U.S. and is scheduled to begin operations in late 2016.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2017 budget includes an additional 6.20 full-time equivalent employees. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village successfully negotiated and approved a new contract in November 2015 with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.0% to 3.0% increases. The Village has started negotiations with the Metropolitan Alliance of Police Patrol union employees as the current contract expired on April 30, 2016.

The development above has helped the Village to maintain a solid financial position. However, the local economy and the Village's financial position may be effected by state, national, and international decisions and events.

The State of Illinois budget impasse is causing funding problems for its own state-wide services, and is a major concern to the Village. According to the Illinois Municipal League (IML), the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This

unsustainable situation is affecting the State's cash flow position and will likely result in delays of payments to local governments. New bills are constantly being introduced in the legislature including, but not limited to, reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform. Any one of these bills individually would have significant impact if approved and signed into law. Perhaps the largest concern is the reduction of distributions to local governments of state shared revenues to balance the State's budget. Any reduction in the distribution of these state shared revenues would have a serious consequence to current Village operations and subsequent year's operations. Without these shared revenues, the Village would have to implement or raise local taxes and fees, increase the property tax levy, and/or reduce expenditures. Finally, a reduction in state shared revenue combined with a property tax freeze would severely restrict the ability to raise additional revenue to support operations.

The national economic expansion has continued slowly. The Federal Reserve began to increase interest rates in December of last year, and the potential for further rate increases during the next year are very possible. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary). Unemployment rates continue to drop although concerns remain regarding the number of people who are underemployed or have dropped from the workforce altogether. Lastly, the presidential election has many concerned on both sides of the aisle.

Internationally, there continue to be concerns over terrorism, political unrest, and a global economic slowdown.

### **Long-Term Financial Planning**

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. Accordingly, the Board approved the fiscal year 2015 – 2017 Strategic Plan to establish the direction of the Village. Senior Management have identified specific goals and initiatives to accomplish the key outcome indicators (KOI), the 5 main strategic priorities (Downtown, Development, Image, Financial Stability, and Capital Investment), and ultimately the Strategic Plan as a whole.

The Village of Montgomery invests a significant amount in capital assets in pursuit of its mission, as well as to maintain or improve the level of service expected by its citizens. These assets play an essential role in the Village's ability to diversify, expand and cope with growth, and improve environmental conditions. That level of service can only be assured if adequate consideration is given to maintaining and expanding public facilities and infrastructure. If a government fails to maintain its capital assets; equipment, facilities and infrastructure will deteriorate more quickly and necessitate costly emergency allocations of financial resources.

The Village completed a Capital Improvement Program (CIP) for fiscal year 2017 through fiscal year 2021 in association with the fiscal year 2017 operating budget. A CIP, which assists in the long-term planning and future allocation of funds, is a blueprint for planning a community's capital expenditures and is one of the most important responsibilities of local government officials. It coordinates community planning, financial capacity and physical development. The CIP consists of a five year plan which identifies projects to be undertaken during that time while capital outlay represents the first year of the CIP. Projects outside of the first year act to serve as a guide only and are subject to change and modification in subsequent years. The development of this multi-year program helps create a plan to ensure the availability of funds linked to various capital improvements while also focusing on the maintenance and integrity of Village property.

The Go Montgomery 2035 Comprehensive Plan is meant to inform and share decisions about land use and development, transportation and infrastructure, parks and open space, and much more. The Plan will assist the Village's leadership in achieving the community's shared vision for its future.

## **Cash Management Policies and Practices**

The Village examined its cash and investment practices and the Village Board approved a new investment policy during fiscal year 2014. Major changes in the length and type of investments, in accordance with the investment policy and State law, were made during fiscal year 2015 to increase the amount of investment income. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. Agency securities, and the Illinois Funds. The Village continued its laddered portfolio of securities during fiscal year 2016 extending out to three years to capture additional yield from longer maturities. Although short-term interest rates remained at historically low levels, the Village was able to capture additional investment income during fiscal year 2016 due to the changes made above.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Montgomery for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2015. This was the thirteenth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for a twelfth certificate.

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its fiscal year 2015 budget document. This was the fourth consecutive year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my sincere appreciation to all employees of the Village who assisted and contributed to the preparation of this report. In addition, I would like to thank the Village President, Board of Trustees and Village Administrator for their unfailing support for maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Justin E. VanVooren, CMA, CPA  
Director of Finance



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Montgomery  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2015**

A handwritten signature in black ink that reads "Jeffrey R. Eman". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Eman" on the line below it.

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## **INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

September 29, 2016

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Montgomery, Illinois', basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Village of Montgomery**

### **Management's Discussion and Analysis**

**April 30, 2016**

As management of the Village of Montgomery, Illinois (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2016. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the our Letter of Transmittal, which can be found on pages iv through x of this report, and the Village's financial statements, which begin on page 3 of this report. All amounts in the MD&A, unless otherwise indicated, are expressed in thousands of dollars.

### **Financial Highlights**

- The Village net position as of April 30, 2016 was \$73,862. Of this amount, \$3,207 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$36 over the prior year. The decrease reflects approximately \$810 increase and \$846 decrease attributable to the general and water operations, respectively, of the Village. The increase in general operations is mainly due to an increase in sales tax due to new stores open for a full year offset by the depreciation of capital assets and other expenses. The decrease in water operations is a combination of an increase in water and sewer rates offset by the depreciation of capital assets.
- As of April 30, 2016, the Village's governmental funds reported combined ending fund balances of \$9,373, an increase of \$2,318 over the prior year. Approximately 35.9% of this total amount, \$3,364, is available for spending at the Village's discretion (unassigned fund balance).
- In addition, the Village's proprietary funds reported combined ending net position of \$23,837, a decrease of \$846 over the prior year. Approximately 12.4% of this total amount, \$2,958, is available for spending at the Village's discretion (unrestricted net position) for proprietary purposes.
- The beginning net position was restated in the governmental and business-type activities by a decrease of \$6,178 and \$3,564, respectively, due to the implementation of GASB Statement No. 68, a new capital asset policy, and recognition of payables related to an economic incentive agreement (additional information can be found in note 3 on page 45 of this report).

### **Overview of the Financial Statements**

The focus of the financial statements is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Village's accountability.

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities reflect the Village's basic services, including general government, public safety, highways and streets and sanitation. The Business-Type Activities include the waterworks and sewerage operations.

The government-wide financial statements can be found on pages 3 through 6 of this report.

**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. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Improvement Fund, and Infrastructure Improvement Fund, all of which are considered to be major funds. Data from the remaining twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 7 through 12 of this report.

**Proprietary Funds.** The Village maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Village uses two enterprise funds, one to account for the operation of the Village owned water utility and one to account for the Village's waste removal program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for providing insurance to Village employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility and refuse program, which are considered to be major funds of the Village, as well as the employee insurance fund.

The Village adopts an annual budget for each of its proprietary funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic proprietary fund financial statements can be found on pages 13 through 16 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 17 through 18 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 61 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the Village's progress in funding its obligation to provide pension and other postemployment benefits to its employees and the General Fund. Required supplementary information can be found on pages 62 through 68 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 69 through 140 of this report.

### **Financial Analysis of the Village as a Whole**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73,862 as of April 30, 2016.

Table 1  
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 14,076	\$ 10,667	\$ 3,803	\$ 4,653	\$ 17,879	\$ 15,320
Capital assets	56,383	59,274	32,774	37,098	89,157	96,372
Total assets	70,459	69,941	36,577	41,751	107,036	111,692
Deferred outflows						
Unamortized loss	170	199	-	-	170	199
Deferred items - pension	2,875	-	53	-	2,928	-
Total deferred outflows	3,045	199	53	-	3,098	199
Liabilities						
Long-term liabilities	18,355	11,372	12,362	12,822	30,717	24,194
Other liabilities	1,862	819	431	682	2,293	1,501
Total liabilities	20,217	12,191	12,793	13,504	33,010	25,695
Deferred inflows						
Deferred taxes	2,727	2,556	-	-	2,727	2,556
Deferred items - pension	535	-	-	-	535	-
Total deferred inflows	3,262	2,556	-	-	3,262	2,556
Net position						
Net investment in capital assets	46,662	48,715	20,879	25,650	67,541	74,365
Restricted	3,114	3,094	-	-	3,114	3,094
Unrestricted	249	3,584	2,958	2,597	3,207	6,181
Total net position	\$ 50,025	\$ 55,393	\$ 23,837	\$ 28,247	\$ 73,862	\$ 83,640

The largest portion of the Village's net position (91.4%) reflects its net investment in capital assets (e.g. land, infrastructure, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (4.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (4.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2016, the Village was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The decrease reflects approximately \$810 increase and \$846 decrease attributable to the general and water operations, respectively, of the Village. The increase in general operations is mainly due to an increase in sales tax due to new stores open for a full year offset by the depreciation of capital assets and other expenses. The decrease in water operations is a combination of an increase in water and sewer rates offset by the depreciation of capital assets.

The Village's unrestricted net position decreased by \$2,974 during the current fiscal year which reflects the increase in general revenues noted above offset by the implementation of GASB Statement No. 68. In addition, the majority of restricted net position is legally restricted to either economic development or certain capital projects. The Village's net investment in capital assets decreased by \$6,824 during the current fiscal year. The Village added \$2,090 of new capital assets, had depreciation of \$4,482 during the year, and reduced capital assets by \$4,823 due to the implementation of a new capital asset policy.

Table 2  
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,970	\$ 1,531	\$ 5,864	\$ 5,690	\$ 7,834	\$ 7,221
Operating grants and contributions	1,320	673	-	-	1,320	673
Capital grants and contributions	-	7	-	118	-	125
General revenues:						
Property taxes	2,682	2,651	-	-	2,682	2,651
Other taxes	1,316	1,372	-	-	1,316	1,372
Intergovernmental	8,425	5,413	-	-	8,425	5,413
Other	334	393	90	5	424	398
<b>Total revenues</b>	<b>16,047</b>	<b>12,040</b>	<b>5,954</b>	<b>5,813</b>	<b>22,001</b>	<b>17,853</b>
<b>Expenses:</b>						
General government	4,001	3,544	-	-	4,001	3,544
Public safety	5,806	4,949	-	-	5,806	4,949
Highways and streets	5,086	4,441	-	-	5,086	4,441
Sanitation	-	-	1,293	1,236	1,293	1,236
Interest	344	358	338	299	682	657
Water and sewer	-	-	5,169	5,230	5,169	5,230
<b>Total expenses</b>	<b>15,237</b>	<b>13,292</b>	<b>6,800</b>	<b>6,765</b>	<b>22,037</b>	<b>20,057</b>
Change in net position	810	(1,252)	(846)	(952)	(36)	(2,204)
Net position, May 1 - as restated	49,215	56,645	24,683	29,199	73,898	85,844
<b>Net position, April 30</b>	<b>\$ 50,025</b>	<b>\$ 55,393</b>	<b>\$ 23,837</b>	<b>\$ 28,247</b>	<b>\$ 73,862</b>	<b>\$ 83,640</b>

The beginning net position was restated in the governmental and business-type activities due to the implementation of GASB Statement No. 68, a new capital asset policy, and recognition of payables related to an economic incentive agreement (additional information can be found in note 3 on page 45 of this report).

**Governmental activities.** Governmental activities increased the Village's net position by \$810. Key elements of this increase are as follows:

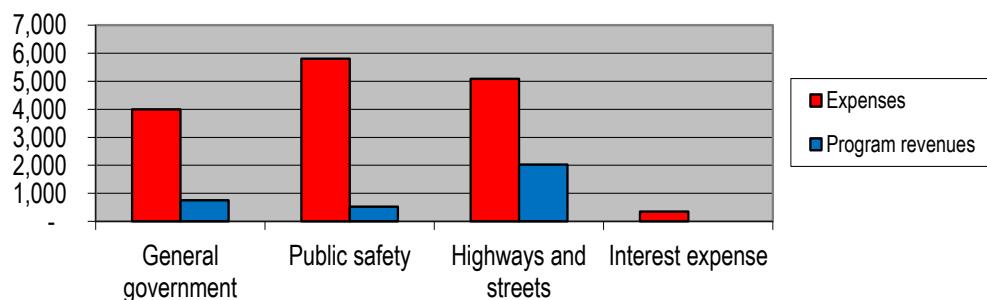
Governmental revenues increased by \$4,007 (33.3%). Components of this increase are as follows:

- Operating grants and contributions increased by \$647 (96.1%) mainly due to a contribution to complete public improvements in an unfinished neighborhood.
- Intergovernmental revenue increased by \$3,012 (55.6%) mainly due to a full year of regular sales tax from commercial stores opened in fiscal year 2015 and a partial year of more commercial stores opened in fiscal year 2016 (\$695); and the implementation of the Village's non-home rule sales tax approved by voters during fiscal year 2015 (\$2,104).

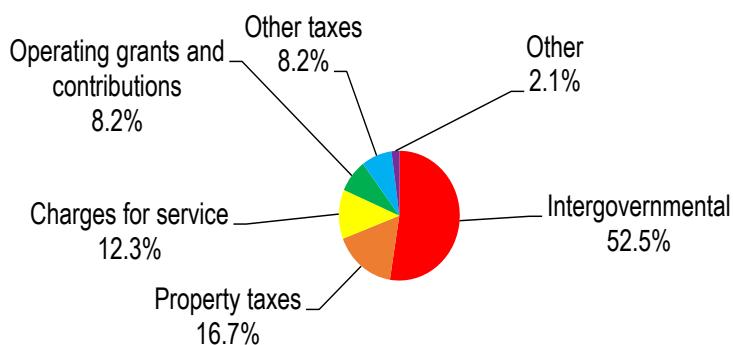
Governmental expenses increased by \$1,945 (14.6%). Components of this increase are as follows:

- The Village's non-home rule sales tax is to be used for expenditures on public infrastructure or property tax relief per Illinois State Statute. The Village began our Infrastructure Road Program (IRP) in earnest during fiscal year 2016 after implementation of the non-home rule sales tax on July 1, 2015. The expenditures in this new fund were \$1,785.

#### Expenses and Program Revenues - Governmental Activities



#### Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities decreased the Village's net position by \$846. Key elements of this decrease are as follows:

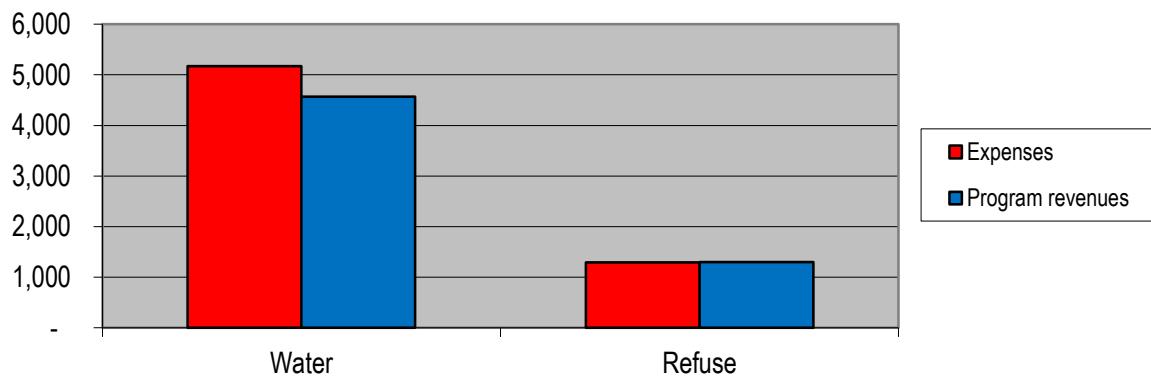
Business-type revenues increased by \$141 (2.4%). Components of this increase are as follows:

- Charges for services increased by \$174 (3.1%) due to an increase in water and sewer rates during fiscal year 2016.

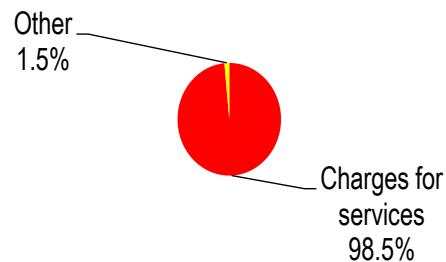
Business-type expenses increased by \$35 (0.5%). Components of this increase are as follows:

- Sanitation increased by \$57 (4.6%) due to a scheduled increase from our third-party waste hauler.
- Depreciation of business-type capital assets decreased by \$179 (8.8%) due to the implementation of a new capital asset policy.
- The Village spent \$192 in fiscal year 2016 on a Water Works System Master Plan to determine what our future water needs are and how those can be met.

#### Expenses and Program Revenues - Business-type Activities



#### Revenues by Source - Business-type Activities



## Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, 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.

As of April 30, 2016, the Village's governmental funds reported combined ending fund balances of \$9,373, an increase of \$2,318 over the prior year. Approximately 35.9% of this total amount, \$3,364, is available for spending at the Village's discretion (unassigned fund balance). The remainder of fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$618), 2) restricted for particular purposes (\$3,170), or 3) assigned for particular purposes (\$2,221).

The General Fund is the chief operating fund of the Village. As of April 30, 2016, unassigned fund balance of the General Fund was \$3,394. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37.6% (4.5 months) of the total General Fund expenditures, while total fund balance represents 44.5% (5.3 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$508 to a total of \$4,012 of fund balance at the end of the current fiscal year. The key factors in this increase are 1) increase in intergovernmental revenue due mostly to a full year of regular sales tax from commercial stores opened in fiscal year 2015 and a partial year of more commercial stores opened in fiscal year 2016, 2) due mostly to a full year of regular sales tax from commercial stores opened in fiscal year 2015 and a partial year of more commercial stores opened in fiscal year 2016, 3) increase in full-time patrol salaries due to the hiring of additional police officers, 4) increase from 75% to 100% of the recommended transfer to the Vehicle Reserve Fund, and 5) transfer of funds to the Capital Improvement Fund.

The fund deficit of the Capital Improvement Fund was reduced by \$574 to a total of \$513 of fund balance at the end of the current fiscal year. The reduction in fund deficit is mainly due to a transfer of funds from the General Fund, as well as continuing to repay the advance from the General Fund.

The fund deficit of the Infrastructure Improvement Fund was reduced by \$991 to a total of \$973 of fund balance at the end of the current fiscal year. The reduction in fund deficit is due to beginning to receive non-home rule sales tax and the subsequent start of projects during fiscal year 2016.

The fund balance of the Debt Service Fund stayed even at a total of \$56 of fund balance at the end of the current fiscal year. The receipts and payment of debt principal and interest matched up.

**Proprietary Funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Fund had a decrease in net position of \$852 to a total of \$23,827 of net position at the end of the current fiscal year. Approximately 12.4% of that total is unrestricted net position. Other factors concerning the finances of the Water Fund have already been addressed in the discussion of the Village's business-type activities.

The Refuse Fund had an increase in net position of \$6 to a total of \$10 of net position at the end of the current fiscal year.

The Employee Insurance Fund had an increase in net position of \$22 to a total of \$252 of net position at the end of the current fiscal year. The Village keeps a balance in this fund to offset any unexpected increases in health and dental insurance for employees.

### **General Fund Budgetary Highlights**

It has been a policy of the Village to not adopt budget amendments during or after the fiscal year. This year was no exception and no General Fund budget amendments occurred during the current fiscal year.

The General Fund revenues were more than the budget by \$675 or 7.3%. The most significant differences between budgeted and actual revenues included 1) state sales tax was \$426 higher than budget due to a full year of regular sales tax from commercial stores opened in fiscal year 2015 and a partial year of more commercial stores opened in fiscal year 2016, and 2) income tax was \$140 higher than budget due to the economic recovery underway.

The General Fund expenditures were less than the budget by \$216 or 2.3%. The most significant differences between budgeted and actual expenditures included 1) fuel was \$37 less than budget due to lower than expected prices throughout the year, 2) patrol salaries and health insurance were \$43 and \$26 less than budget due to a vacancy during part of the year, and 3) economic incentives paid was \$41 lower than budget due to a couple of businesses opening later than expected.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2016, amounts to \$89,157 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), buildings, improvements other than buildings, vehicles and equipment, and infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers).

Major capital asset events during the current fiscal year included the following:

- A total of four vehicle replacements were made during the year totaling \$430. The vehicles replaced included a Community Development sport utility vehicle, a Public Works pickup truck, single axle dump truck, and double axle dump truck.
- A financial software update of \$51 was made during fiscal year 2016. A police software update began during fiscal year 2016 (\$63) and will be completed in fiscal year 2017.
- Huntington Chase neighborhood streets were completed at a cost of \$613.
- The Boulder Hill water main project was completed in fiscal year 2016, where the Village spent \$919. The overall project replaced approximately 18,000 feet of water main in the unincorporated Boulder Hill Subdivision to remediate water main quality, small diameter water main, and water main looping issues.
- Depreciation of governmental and business-type activities capital assets totaling \$2,625 and \$1,857, respectively, was taken during the year.

The following schedule summarizes the Village's capital assets.

Table 3  
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 17,933	\$ 17,933	\$ 17	\$ 17	\$ 17,950	\$ 17,950
Construction in progress	63	18	263	231	326	249
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	454	403	84	84	538	487
Vehicles	2,656	2,495	-	-	2,656	2,495
Infrastructure	33,452	32,840	49,285	48,366	82,737	81,206
Less:						
Accumulated depreciation	(20,624)	(18,269)	(16,875)	(15,018)	(37,499)	(33,287)
Total capital assets	\$ 56,383	\$ 57,869	\$ 32,774	\$ 33,680	\$ 89,157	\$ 91,549

Additional information regarding the capital assets can be found in note 3 on pages 36 through 37 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$21,965 (excluding other postemployment benefit, net pension liability, and compensated absences). This amount is partially comprised of six general obligation alternate revenue bonds which pledge sales, use, and telecommunications taxes, as well as net revenues of the water system. These bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2007, Series 2008A, Series 2010, Series 2011, Series 2013, and Series 2014 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the water system. The Village's debt decreased by \$1,550 (6.6%) during fiscal year 2016.

Major long-term debt events during the current fiscal year included the following:

- The Village drew down \$90 of Illinois Environmental Protection Agency loans to complete the Boulder Hill water main project.
- The Village made its regularly scheduled payments of principal (\$1,485) and interest on the existing outstanding debt.

The following schedule summarizes the Village's indebtedness.

Table 4  
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 9,891	\$ 10,656	\$ 5,540	\$ 5,996	\$ 15,431	\$ 16,652
Capital lease	-	103	-	-	-	103
IEPA loans	-	-	6,534	6,760	6,534	6,760
Total long-term debt	\$ 9,891	\$ 10,759	\$ 12,074	\$ 12,756	\$ 21,965	\$ 23,515

Additional information regarding the Village's long-term debt can be found in note 3 on pages 38 through 44 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Municipal revenue streams traditionally have been reasonably constant and predictable. For municipalities in their growth stage, such as Montgomery, expenditure growth frequently exceeds revenue needed to fund new operating and capital programs. The budget cycle provides an opportunity to review lists of new services and programs which could be provided to residents and enhance the Village.

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Between fiscal year 2011 and fiscal year 2015, the Village reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

However, the Village saw residential, commercial, and industrial development rebound beginning in fiscal year 2015 and further into fiscal year 2016. Residential permits were up again this fiscal year, while commercial and industrial sectors continue to thrive in the community. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including O'Reilly Auto Parts and Speedway, as well as other new businesses occupying vacant buildings like Food Market La Chiquita and South Moon BBQ. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the Riverview Diner across the Fox River from the Village Hall.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. This new revenue source will be utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new bulk sugar storage and transfer facility. The 20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself will stand 134 feet high and 183 feet wide. There is also room for a second dome. The dome will hold over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the

largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility will be the largest single sugar storage asset in the U.S. and is scheduled to begin operations in late 2016.

The development above has helped the Village to maintain a solid financial position. However, the local economy and the Village's financial position may be effected by state, national, and international decisions and events.

The State of Illinois budget impasse is causing funding problems for its own state-wide services, and is a major concern to the Village. According to the Illinois Municipal League (IML), the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This unsustainable situation is affecting the State's cash flow position and will likely result in delays of payments to local governments. New bills are constantly being introduced in the legislature including, but not limited to, reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform. Any one of these bills individually would have significant impact if approved and signed into law. Perhaps the largest concern is the reduction of distributions to local governments of state shared revenues to balance the State's budget. Any reduction in the distribution of these state shared revenues would have a serious consequence to current Village operations and subsequent year's operations. Without these shared revenues, the Village would have to implement or raise local taxes and fees, increase the property tax levy, and/or reduce expenditures. Finally, a reduction in state shared revenue combined with a property tax freeze would severely restrict the ability to raise additional revenue to support operations.

The national economic expansion has continued slowly. The Federal Reserve began to increase interest rates in December of last year, and the potential for further rate increases during the next year are very possible. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary). Unemployment rates continue to drop although concerns remain regarding the number of people who are underemployed or have dropped from the workforce altogether. Lastly, the presidential election has many concerned on both sides of the aisle.

Internationally, there continue to be concerns over terrorism, political unrest, and a global economic slowdown.

The Village owns a water utility and charges residents a fee to use that water, which is the second largest revenue source for the Village. The Village also charges residents a fee to maintain the sanitary sewer lines that feed to the Fox Metro Water Reclamation District. The revenue is based upon the immediate prior year's usage by existing residents along with the additional housing units brought online by new permits. The fiscal year 2017 budget includes an increase of approximately 50% in base water and sewer charges, while water usage rates will increase 3% as of May 1, 2016. The Village expects annual increases of 3% in fiscal year 2018 and each year thereafter. This revenue stream is dependent on weather conditions and will vary based on how warm it is or how much rain the Village receives.

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2017, personal services expenditures are expected to total \$7,105,817 or 26.39% of total budgeted expenditures. This is an increase of 5.61% over the fiscal year 2016 budgeted expenditures of \$6,728,435. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village successfully negotiated and approved a new contract in November 2015 with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.0% to 3.0% increases. The Village has started negotiations with the Metropolitan Alliance of Police Patrol union employees as the current contract expired on April 30, 2016. The fiscal year 2017 budget includes an additional 6.20 full-time equivalent employees. FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include a part-time intern (Administration), 3 patrol officers and 2 part-time records clerks (Public Safety), and a new maintenance worker I, an additional seasonal, and a part-time mechanic (Public Works).

#### **Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Justin E. VanVooren, Director of Finance, Village of Montgomery, 200 North River Street, Montgomery, IL 60538.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

    Governmental Funds

    Proprietary Funds

    Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position**

**April 30, 2016**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position**

**April 30, 2016**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 7,815,930	2,633,199	10,449,129
Receivables - Net	3,102,504	1,170,080	4,272,584
Due from Other Governments	1,952,962	-	1,952,962
Prepaids	64,515	-	64,515
Total Current Assets	<u>12,935,911</u>	<u>3,803,279</u>	<u>16,739,190</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	17,996,356	279,240	18,275,596
Depreciable	59,011,373	49,369,605	108,380,978
Depreciation	(20,624,490)	(16,875,237)	(37,499,727)
Total Capital Assets	<u>56,383,239</u>	<u>32,773,608</u>	<u>89,156,847</u>
Other Assets			
Notes Receivable	<u>1,139,337</u>	<u>-</u>	<u>1,139,337</u>
Total Noncurrent Assets	<u>57,522,576</u>	<u>32,773,608</u>	<u>90,296,184</u>
Total Assets	<u>70,458,487</u>	<u>36,576,887</u>	<u>107,035,374</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	169,612	-	169,612
Deferred Items - IMRF	404,270	53,091	457,361
Deferred Items - Police Pension	2,471,054	-	2,471,054
Total Deferred Outflows of Resources	<u>3,044,936</u>	<u>53,091</u>	<u>3,098,027</u>
Total Assets and Deferred Outflows of Resources	<u>73,503,423</u>	<u>36,629,978</u>	<u>110,133,401</u>

The accompanying notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,530,854	256,534	1,787,388
Accrued Payroll	145,285	25,066	170,351
Accrued Interest Payable	138,902	111,569	250,471
Retainage Payable	42,055	1,563	43,618
Due to Other Governments	5,018	-	5,018
Other Payables	-	36,000	36,000
Current Portion of Long-Term Debt	801,178	840,867	1,642,045
Total Current Liabilities	<u>2,663,292</u>	<u>1,271,599</u>	<u>3,934,891</u>
Noncurrent Liabilities			
Compensated Absences Payable	415,605	56,577	472,182
Net Pension Liability - IMRF	1,710,847	224,677	1,935,524
Net Pension Liability - Police Pension	6,208,878	-	6,208,878
Net Other Post-Employment Benefit Payable	82,745	-	82,745
General Obligation Bonds Payable - Net	9,136,082	5,080,147	14,216,229
IEPA Loans Payable	-	6,159,857	6,159,857
Total Noncurrent Liabilities	<u>17,554,157</u>	<u>11,521,258</u>	<u>29,075,415</u>
Total Liabilities	<u>20,217,449</u>	<u>12,792,857</u>	<u>33,010,306</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - Police Pension	534,571	-	534,571
Property Taxes	<u>2,726,952</u>	<u>-</u>	<u>2,726,952</u>
Total Deferred Inflows of Resources	<u>3,261,523</u>	<u>-</u>	<u>3,261,523</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,478,972</u>	<u>12,792,857</u>	<u>36,271,829</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	46,661,769	20,879,292	67,541,061
Restricted - Economic Development	1,798,797	-	1,798,797
Restricted - Public Safety	244,992	-	244,992
Restricted - Highways and Streets	274,708	-	274,708
Restricted - Subdivision Maintenance	787,057	-	787,057
Restricted - Subdivision Improvements	8,075	-	8,075
Unrestricted	<u>249,053</u>	<u>2,957,829</u>	<u>3,206,882</u>
Total Net Position	<u>50,024,451</u>	<u>23,837,121</u>	<u>73,861,572</u>

The accompanying notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Activities**  
**For the Fiscal Year Ended April 30, 2016**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 4,000,986	747,280	-	-
Public Safety	5,805,768	509,588	11,469	-
Highways and Streets	5,085,800	713,056	1,308,040	-
Interest on Long-Term Debt	344,003	-	-	-
<b>Total Governmental Activities</b>	<b>15,236,557</b>	<b>1,969,924</b>	<b>1,319,509</b>	<b>-</b>

**Business-Type Activities**

Water	5,168,892	4,565,238	-	-
Refuse	1,293,243	1,299,130	-	-
<b>Total Business-Type Activities</b>	<b>6,462,135</b>	<b>5,864,368</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>21,698,692</b>	<b>7,834,292</b>	<b>1,319,509</b>	<b>-</b>

**General Revenues**  
**Taxes**  
 Property Taxes  
 Utility Taxes  
 Video Gaming Taxes  
**Intergovernmental - Unrestricted**  
 Sales Taxes  
 Non-Home Rule Sales Taxes  
 Income Taxes  
 Replacement Taxes  
 Local Use Taxes  
 Investment Earnings  
 Miscellaneous

**Change in Net Position**  
**Net Position - Beginning as Restated**  
**Net Position - Ending**

The notes to the financial statements are an integral part of this statement.

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Net (Expenses)/Revenue		
Governmental Activities	Business-Type Activities	Totals
(3,253,706)	-	(3,253,706)
(5,284,711)	-	(5,284,711)
(3,064,704)	-	(3,064,704)
(344,003)	(338,126)	(682,129)
<u>(11,947,124)</u>	<u>(338,126)</u>	<u>(12,285,250)</u>
-	(603,654)	(603,654)
-	5,887	5,887
<u>-</u>	<u>(597,767)</u>	<u>(597,767)</u>
<u>(11,947,124)</u>	<u>(935,893)</u>	<u>(12,883,017)</u>
2,681,695	-	2,681,695
1,256,073	-	1,256,073
60,261	-	60,261
3,863,843	-	3,863,843
2,103,584	-	2,103,584
1,964,982	-	1,964,982
56,272	-	56,272
436,512	-	436,512
44,614	19,148	63,762
288,798	71,058	359,856
<u>12,756,634</u>	<u>90,206</u>	<u>12,846,840</u>
809,510	(845,687)	(36,177)
<u>49,214,941</u>	<u>24,682,808</u>	<u>73,897,749</u>
<u>50,024,451</u>	<u>23,837,121</u>	<u>73,861,572</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Balance Sheet - Governmental Funds**

**April 30, 2016**

General

**ASSETS**

Cash and Investments	\$ 2,745,142
Receivables - Net of Allowances	
Property Taxes	2,149,347
Other Taxes	28,505
Accounts	182,702
Accrued Interest	4,299
Notes	-
Due from Other Governments	1,292,097
Due from Other Funds	26,150
Advances to Other Funds	553,227
Prepaids	<u>64,515</u>
 Total Assets	<u>7,045,984</u>

**LIABILITIES**

Accounts Payable	739,454
Accrued Payroll	145,285
Retainage Payable	-
Due to Other Funds	-
Due to Other Governments	-
Advances from Other Funds	-
Total Liabilities	<u>884,739</u>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	<u>2,149,347</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,034,086</u>

**FUND BALANCES**

Nonspendable	617,742
Restricted	-
Assigned	-
Unassigned	<u>3,394,156</u>
Total Fund Balances	<u>4,011,898</u>

Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>7,045,984</u>
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The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects			Totals
	Capital Improvement	Infrastructure Improvement	Nonmajor	
56,089	887,288	1,158,405	2,716,647	7,563,571
-	-	-	577,605	2,726,952
-	151,310	-	-	179,815
-	7,781	-	-	190,483
-	955	-	-	5,254
-	-	-	1,139,337	1,139,337
-	26,128	592,776	41,961	1,952,962
-	-	-	-	26,150
-	-	-	-	553,227
-	-	-	-	64,515
<b>56,089</b>	<b>1,073,462</b>	<b>1,751,181</b>	<b>4,475,550</b>	<b>14,402,266</b>
-	2,248	762,328	26,824	1,530,854
-	-	-	-	145,285
-	-	15,886	26,169	42,055
-	-	-	26,150	26,150
-	5,018	-	-	5,018
-	553,227	-	-	553,227
-	560,493	778,214	79,143	2,302,589
-	-	-	577,605	2,726,952
-	560,493	778,214	656,748	5,029,541
-	-	-	-	617,742
56,089	-	-	3,113,629	3,169,718
-	512,969	972,967	735,263	2,221,199
-	-	-	(30,090)	3,364,066
<b>56,089</b>	<b>512,969</b>	<b>972,967</b>	<b>3,818,802</b>	<b>9,372,725</b>
<b>56,089</b>	<b>1,073,462</b>	<b>1,751,181</b>	<b>4,475,550</b>	<b>14,402,266</b>

The notes to the financial statements are an integral part of this statement.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2016

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<b>Total Governmental Fund Balances</b>	\$ 9,372,725
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	56,383,239
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
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Deferred Items - IMRF	404,270
Deferred Items - Police Pension	1,936,483

Internal service funds are used by the Village to charge the costs of issuance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities In the Statement of Net Position.	252,359
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
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Compensated Absences Payable	(461,783)
Net Pension Liability - IMRF	(1,710,847)
Net Pension Liability - Police Pension	(6,208,878)
Net Other Post-Employment Benefit Payable	(82,745)
General Obligation Bonds Payable - Net	(9,891,082)
Unamortized Loss on Refunding	169,612
Accrued Interest Payable	<u>(138,902)</u>

<b>Net Position of Governmental Activities</b>	<u>50,024,451</u>
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**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the Fiscal Year Ended April 30, 2016**

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	<u>General</u>
Revenues	
Property Taxes	\$ 2,241,843
Other Taxes	128,293
Licenses, Permits and Fees	447,653
Intergovernmental, Grants and Contributions	6,333,078
Fines and Forfeitures	319,217
Charges for Services	310,585
Interest	26,118
Miscellaneous	132,824
Total Revenues	<u>9,939,611</u>
Expenditures	
Current	
General Government	2,985,297
Public Safety	4,408,227
Highways and Streets	1,559,510
Capital Outlay	70,940
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>9,023,974</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>915,637</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	-
Transfers Out	<u>(407,948)</u>
Net Change in Fund Balances	<u>(407,948)</u>
Fund Balances - Beginning as Restated	507,689
Fund Balances - Ending	<u>3,504,209</u>
	<u>4,011,898</u>

The notes to the financial statements are an integral part of this statement.

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Debt Service	Capital Projects			Nonmajor	Totals
	Capital Improvement	Infrastructure Improvement			
-	-	-	439,852	2,681,695	
1,188,041		-	-	1,316,334	
-	-	-	-	447,653	
-	114,963	2,775,584	521,077	9,744,702	
-	-	-	21,935	341,152	
-	19,283	-	829,039	1,158,907	
-	3,949	-	14,547	44,614	
-	131,812	-	24,162	288,798	
-	1,458,048	2,775,584	1,850,612	16,023,855	
-	5,857	-	108,766	3,099,920	
-	-	-	26,223	4,434,450	
-	-	1,189,944	929,532	3,678,986	
-	190,696	594,673	512,318	1,368,627	
725,000	-	-	103,071	828,071	
359,165	-	-	4,896	364,061	
1,084,165	196,553	1,784,617	1,684,806	13,774,115	
(1,084,165)	1,261,495	990,967	165,806	2,249,740	
-	400	-	68,250	68,650	
1,084,165	396,510	-	11,438	1,492,113	
-	(1,084,165)	-	-	(1,492,113)	
1,084,165	(687,255)	-	79,688	68,650	
-	574,240	990,967	245,494	2,318,390	
56,089	(61,271)	(18,000)	3,573,308	7,054,335	
56,089	512,969	972,967	3,818,802	9,372,725	

The notes to the financial statements are an integral part of this statement.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2016

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,318,390

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

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	1,139,001
Depreciation Expense	(2,624,964)
Disposals - Cost	(269,454)
Disposals - Accumulated Depreciation	269,454

The net effect of deferred outflows (inflows) of resources related  
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	140,616
Change in Deferred Items - Police Pension	1,484,201

Internal service funds are used by the Village to charge the costs of  
insurance to individual funds. The net revenue of certain activities  
of internal service funds is reported with governmental activities.

22,212

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Decrease to Compensated Absences Payable	53,324
(Increase) to Net Pension Liability - IMRF	(329,605)
(Increase) to Net Pension Liability - Police Pension	(2,212,884)
(Increase) to Net Other Post-Employment Payable	(28,910)
Retirement of Debt	828,071
Amortization of Bond Premium	39,660
Amortization of Loss on Refunding	(29,602)

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

10,000

**Changes in Net Position of Governmental Activities**

809,510

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2016**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2016**

Business-Type Activities			Governmental Activities
Water	Refuse	Totals	Internal Service
			Employee Insurance

**ASSETS**

**Current Assets**

Cash and Investments	\$ 2,633,199	-	2,633,199	252,359
<b>Receivables - Net of Allowances</b>				
Accounts	833,112	332,165	1,165,277	-
Accrued Interest	4,803	-	4,803	-
Due from Other Funds	210,851	-	210,851	-
<b>Total Current Assets</b>	<b>3,681,965</b>	<b>332,165</b>	<b>4,014,130</b>	<b>252,359</b>

**Noncurrent Assets**

Nondepreciable Capital Assets	279,240	-	279,240	-
Depreciable Capital Assets	49,369,605	-	49,369,605	-
Accumulated Depreciation	(16,875,237)	-	(16,875,237)	-
Total Noncurrent Assets	32,773,608	-	32,773,608	-
<b>Total Assets</b>	<b>36,455,573</b>	<b>332,165</b>	<b>36,787,738</b>	<b>252,359</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Items - IMRF	53,091	-	53,091	-
<b>Total Assets and Deferred Outflows of Resources</b>				
	36,508,664	332,165	36,840,829	252,359

The notes to the financial statements are an integral part of this statement.

Business-Type Activities			Governmental Activities
Water	Refuse	Totals	Internal Service
			Employee Insurance

## LIABILITIES

### Current Liabilities

Accounts Payable	\$ 145,590	110,944	256,534	-
Accrued Payroll	25,066	-	25,066	-
Accrued Interest Payable	111,569	-	111,569	-
Retainage Payable	1,563	-	1,563	-
Other Payables	36,000	-	36,000	-
Due from Other Funds	-	210,851	210,851	-
Current Portion of Long-Term Debt	840,867	-	840,867	-
<b>Total Current Liabilities</b>	<b>1,160,655</b>	<b>321,795</b>	<b>1,482,450</b>	<b>-</b>

### Noncurrent Liabilities

Compensated Absences Payable	56,577	-	56,577	-
Net Pension Liability - IMRF	224,677	-	224,677	-
General Obligation Bonds Payable - Net	5,080,147	-	5,080,147	-
IEPA Loans Payable	6,159,857	-	6,159,857	-
<b>Total Noncurrent Liabilities</b>	<b>11,521,258</b>	<b>-</b>	<b>11,521,258</b>	<b>-</b>
<b>Total Liabilities</b>	<b>12,681,913</b>	<b>321,795</b>	<b>13,003,708</b>	<b>-</b>

## NET POSITION

Net Investment in Capital Assets	20,879,292	-	20,879,292	-
Unrestricted	2,947,459	10,370	2,957,829	252,359
<b>Total Net Position</b>	<b>23,826,751</b>	<b>10,370</b>	<b>23,837,121</b>	<b>252,359</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
Operating Revenues				Employee Insurance
Charges for Services	\$ 4,565,238	1,299,130	5,864,368	-
Interfund Services	-	-	-	789,243
Total Operating Revenues	<u>4,565,238</u>	<u>1,299,130</u>	<u>5,864,368</u>	<u>789,243</u>
Operating Expenses				
Operations	3,322,027	1,293,243	4,615,270	767,031
Depreciation	1,846,865	-	1,846,865	-
Total Operating Expenses	<u>5,168,892</u>	<u>1,293,243</u>	<u>6,462,135</u>	<u>767,031</u>
Operating Income (Loss)	<u>(603,654)</u>	<u>5,887</u>	<u>(597,767)</u>	<u>22,212</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	19,148	-	19,148	-
Reimbursements	57,181	-	57,181	-
Other Income	13,877	-	13,877	-
Interest Expense	(338,126)	-	(338,126)	-
	<u>(247,920)</u>	<u>-</u>	<u>(247,920)</u>	<u>-</u>
Change in Net Position	<u>(851,574)</u>	<u>5,887</u>	<u>(845,687)</u>	<u>22,212</u>
Net Position - Beginning as Restated	<u>24,678,325</u>	<u>4,483</u>	<u>24,682,808</u>	<u>230,147</u>
Net Position - Ending	<u>23,826,751</u>	<u>10,370</u>	<u>23,837,121</u>	<u>252,359</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2016**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
<b>Cash Flows from Operating Activities</b>				Employee Insurance
Receipts from Customers and Users	\$ 4,705,460	1,272,645	5,978,105	-
Receipts from Interfund Services	-	-	-	789,243
Payments to Employees	(524,351)	-	(524,351)	-
Payments to Suppliers	(2,833,326)	(1,272,645)	(4,105,971)	(767,031)
	<u>1,347,783</u>	-	<u>1,347,783</u>	<u>22,212</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(950,654)	-	(950,654)	-
Disposal of Capital Assets	90,299	-	90,299	-
Principal Paid on Debt	(760,453)	-	(760,453)	-
Interest Paid on Debt	(338,126)	-	(338,126)	-
	<u>(1,958,934)</u>	-	<u>(1,958,934)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment Income	<u>19,148</u>	-	<u>19,148</u>	-
Net Change in Cash and Cash Equivalents	(592,003)	-	(592,003)	22,212
Cash and Cash Equivalents - Beginning	<u>3,225,202</u>	-	<u>3,225,202</u>	<u>230,147</u>
Cash and Cash Equivalents - Ending	<u>2,633,199</u>	-	<u>2,633,199</u>	<u>252,359</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.</b>				
Operating Income (Loss)	(603,654)	5,887	(597,767)	22,212
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)</b>				
Depreciation and Amortization Expense	1,846,865	-	1,846,865	-
Other Income	71,058	-	71,058	-
(Increase) Decrease in Current Assets	69,164	(26,485)	42,679	-
Increase (Decrease) in Current Liabilities	(35,650)	20,598	(15,052)	-
Net Cash Provided by Operating Activities	<u>1,347,783</u>	-	<u>1,347,783</u>	<u>22,212</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Fiduciary Net Position**  
**April 30, 2016**

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	Pension	Trust	Police	Pension	Agency
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 67,581				3,261,505
Investments					
U.S. Treasury Obligations	103,318				-
U.S. Agency Obligations	1,645,229				-
Municipal Bonds	432,945				-
Corporate Bonds	1,641,552				-
Annuities	1,201,370				-
Mutual Funds	2,582,202				-
Common Stock	629,570				-
Receivables - Net of Allowance					
Accrued Interest	46,626				-
Total Assets	<u>8,350,393</u>				<u>3,261,505</u>
<b>LIABILITIES</b>					
Deposits Payable					525,926
Due to Others					16,568
Due to Bondholders					<u>2,719,011</u>
Total Liabilities	<u>-</u>				<u>3,261,505</u>
<b>NET POSITION</b>					
Net Position Restricted for Pensions					<u>8,350,393</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended April 30, 2016**

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	Pension Trust
	Police Pension
<b>Additions</b>	
Contributions - Employer	\$ 452,282
Contributions - Plan Members	<u>216,533</u>
Total Contributions	<u>668,815</u>
 Investment Income	
Investment Earnings	335,821
Net Change in Fair Value	<u>(343,336)</u>
	<u>(7,515)</u>
Less Investment Expenses	<u>(18,113)</u>
Net Investment Income	<u>(25,628)</u>
 Total Additions	<u>643,187</u>
 Deductions	
Administration	18,226
Benefits and Refunds	<u>481,164</u>
 Total Deductions	<u>499,390</u>
 Change in Fiduciary Net Position	143,797
 Net Position Restricted for Pensions	
Beginning	<u>8,206,596</u>
Ending	<u>8,350,393</u>

The notes to the financial statements are an integral part of this statement.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements**

### **April 30, 2016**

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## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Montgomery, Illinois (Village) is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected President and Board of Trustees.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Montgomery
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "the Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

### **Police Pension Employees Retirement System**

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, and highways and streets services are classified as governmental activities. The Village's water and refuse activities are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

The Village allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid for through the General Fund.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **BASIS OF PRESENTATION – Continued**

#### **Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

#### **Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

**General fund** is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains 19 nonmajor special revenue funds.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

**Debt service funds** are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Debt Service Fund is treated as a major fund and is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008A, Series 2010, Series 2011, and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds). The Village maintains four capital projects funds. The Capital Improvement Fund, a major fund, is used to account for funds restricted, committed or assigned to the acquisition, construction and improvement of governmental general capital assets (not financed by proprietary funds). Activities are financed by utility taxes, grants, rents on Village properties, and developer contributions. The Infrastructure Improvement Fund, also a major fund, is used to account for funds restricted, committed, or assigned to the acquisition, construction and improvement of governmental infrastructure capital assets (not being financed by proprietary funds) throughout the community. Activities are financed by the 1% non-home rule sales tax. The Village also maintains two nonmajor capital projects funds.

##### **Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major proprietary funds. The Water Fund is used to account for the revenues and expenses relative to the operation of the water utility. The Refuse Fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their bi-monthly utility bill.

**Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund, the Employee Insurance Fund.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

###### **Fund Financial Statements – Continued**

###### **Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

**Pension trust funds** are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force.

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Village maintains seven agency funds. The Talma Street Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #96-1 Bonds. The Escrow Fund is used to account for the developer contributions held on behalf of other governments and for developer deposits. The Flexible Benefit Fund is used to account for the fringe benefits for employees. The Lakewood Special Assessment Fund is used to account for the contributions from property owners and payments of principal and interest on the Special Assessment Bonds. The Blackberry Crossing West Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #10 Bonds. The Cornell Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #17 Bonds. The Temporary CO Fund is used to account for the deposits held to ensure completion of final plans and projects on new commercial and residential construction.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" 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**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

##### **Measurement Focus – Continued**

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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 balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type 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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows 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 within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

##### **Basis of Accounting – Continued**

All proprietary, pension trust and agency funds utilize 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

##### **Prepays**

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2016**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Long-term interfund loans, if any, are classified as advances to/from other funds. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### **Capital Assets**

Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 for vehicles, \$25,000 for land improvements and machinery and equipment, \$50,000 for buildings and building improvements, and \$250,000 for infrastructure and an estimated useful life in excess of four years. Contributed assets are reported at 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 accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, storm sewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 - 20 Years
Buildings	10 - 45 Years
Equipment	4 - 30 Years
Vehicles	4 - 10 Years
Infrastructure	20 - 50 Years

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

##### **Compensated Absences**

Vested or accumulated vacation leave and sick pay related to employees that have retired or terminated at year-end but not yet paid out is reported as an expenditure and a fund liability of the governmental fund (General Fund) that will pay it. Vested and accumulated vacation leave and sick pay of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

##### **Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### **Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

##### **Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – 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 improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

Annual budgets are adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

All departments of the Village submit budget requests to the Director of Finance so that a budget may be prepared. The budget is prepared by fund, department and division, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year and two projected years. The Village Administrator reviews the budget and recommends a budget to the Village Board.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the current fiscal year, no budget amendments were adopted.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

#### **EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had excess of actual expenditures over budget at year end:

Fund	Excess
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

#### **DEFICIT FUND BALANCE**

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Balmorea Special Service Area	\$ 416
Tax Increment Financing District #2	29,674

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS**

#### **DEPOSITS AND INVESTMENTS**

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **DEPOSITS AND INVESTMENTS – Continued**

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

#### **Village Credit Risk, Custodial Credit Risk, and Concentration Risk**

*Deposits.* At year-end the carrying amount of the Village's deposits for governmental and business-type activities totaled \$10,449,129 and the bank balances totaled \$10,621,013.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is five years.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **DEPOSITS AND INVESTMENTS – Continued**

###### **Village Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued**

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. In accordance with the Village's investment policy, with the exception of U.S. Treasury and U.S. agency securities, as well as Illinois Funds, IMET and Illinois Trust not more than 50% of the Village's total investment portfolio will be invested with a single financial institution. At April 30, 2016, the Village has no investment in any single issuer over 5% of total cash and investments.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by diversifying its portfolio and by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. At April 30, 2016, the Village has no investments.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve and in the Village's name. April 30, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agency separate from where the investment was purchased.

###### **Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk**

*Deposits.* At year-end the carrying amount of the Fund's deposits totaled \$67,581 and the bank balances totaled \$67,581.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

*Investments.* At year-end the Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 103,318	21,274	82,044	-	-
U.S Agency Obligations	1,645,229	334,599	532,783	615,886	161,961
Municipal Bonds	432,945	-	273,764	159,181	-
Corporate Bonds	1,641,552	8,036	961,985	671,531	-
<b>Totals</b>	<b>3,823,044</b>	<b>363,909</b>	<b>1,850,576</b>	<b>1,446,598</b>	<b>161,961</b>

*Interest Rate Risk.* The Fund's investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk.* The Fund's investment policy helps limit exposure to credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. Illinois Funds are rated AAA. The U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from BB+ to AA+.

*Custodial Credit Risk – Deposits.* The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At April 30, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agency separate from where the investment was purchased. At April 30, 2016, the Fund's investments in the money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* The Fund's investment policy does not address concentration of credit risk. At April 30, 2016, the Fund had no investments that represent over 5% of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations). The Fund also has \$1,201,370 invested in annuities, \$629,570 invested in common stock and \$2,582,202 invested in mutual funds at year-end.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **DEPOSITS AND INVESTMENTS – Continued**

#### **Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued**

*Concentration of Credit Risk – Continued.* The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Treasury Securities	10.00%	4.30%
U.S. Agency Securities	40.00%	4.50%
Domestic Equities	10.00% - 55.00%	7.50% - 12.30%
Corporate Bonds	25.00%	5.00% - 10.20%
International Equities	15.00%	3.10% - 10.70%
Real Estate	10.00%	6.80% - 11.90%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

#### **Rate of Return**

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NOTES RECEIVABLE

##### Economic Development

During the fiscal year ended April 30, 1985, the village established the Economic Development Fund from the proceeds of a Community Development Block Grant, in the amount of \$500,000, received through the Department of Commerce and Community Affairs of the State of Illinois. During the fiscal year ended April 30, 1991, the village received another community Development Block Grant in the amount of \$300,000. This fund is used to account for these grant funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund. The following represents the outstanding balances as of April 30, 2016:

- During the fiscal year 2006, the Village entered into an installment note with EDM Associates, Inc., in the amount of \$120,000. During the fiscal year 2011, the remaining balance was assumed by Ridgeline Consultants LLC. The note is payable in monthly installments of \$1,159 through May, 2016, which includes 3.00% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$0.
- During the fiscal year 2014, the Village entered into an installment note with Butterball, Inc., in the amount of \$1,500,000. The note is payable in monthly installments of \$13,141 through November, 2023, which includes 1.00% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2016 was \$1,139,337.

Principal and interest maturities of these notes receivable for future periods are as follows:

Fiscal Year	Amount
2017	\$ 157,789
2018	157,687
2019	157,687
2020	157,687
2021	157,687
2022	157,687
2023	157,687
2024	92,399
Total Principal and Interest	<u>1,196,310</u>
Less: Interest	<u>(56,973)</u>
Total Principal	<u><u>1,139,337</u></u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### PROPERTY TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Kane and Kendall Counties and are payable in two installments, on or about June and September. Kane and Kendall Counties collect such taxes and remit them periodically.

#### INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

##### Interfund Advances

Interfund advances represents reclassification of negative cash balance. This amount will be paid over several years. Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvements	\$ <u>553,227</u>

##### Interfund Balances

The purpose of the interfund balances are to eliminate deficit cash balances. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 26,150
Water	Refuse	<u>210,851</u>
		<u>237,001</u>

##### Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Improvement	\$ 1,084,165
Capital Improvement	General	396,510
Nonmajor Governmental	General	<u>11,438</u>
		<u>1,492,113</u>

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 9,876,696	-	-	9,876,696
Land Right of Way	8,056,400	-	-	8,056,400
Construction in Progress	18,000	63,260	18,000	63,260
	<u>17,951,096</u>	<u>63,260</u>	<u>18,000</u>	<u>17,996,356</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	403,233	50,667	-	453,900
Vehicles	2,494,953	430,401	269,454	2,655,900
Infrastructure	32,839,799	612,673	-	33,452,472
	<u>58,187,086</u>	<u>1,093,741</u>	<u>269,454</u>	<u>59,011,373</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	125,963	4,163	-	130,126
Buildings	8,169,185	1,115,533	-	9,284,718
Equipment	252,728	27,315	-	280,043
Vehicles	1,752,083	139,855	269,454	1,622,484
Infrastructure	7,969,021	1,338,098	-	9,307,119
	<u>18,268,980</u>	<u>2,624,964</u>	<u>269,454</u>	<u>20,624,490</u>
<b>Total Depreciable Capital Assets</b>	<u>39,918,106</u>	<u>(1,531,223)</u>	<u>-</u>	<u>38,386,883</u>
<b>Total Capital Assets</b>	<u>57,869,202</u>	<u>(1,467,963)</u>	<u>18,000</u>	<u>56,383,239</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 659,710
Public Safety	590,909
Highways and Streets	<u>1,374,345</u>
	<u>2,624,964</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS – Continued

##### Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 16,533	-	-	16,533
Construction in Progress	231,000	31,707	-	262,707
	<u>247,533</u>	<u>31,707</u>	-	<u>279,240</u>
<b>Depreciable Capital Assets</b>				
Equipment	84,062	-	-	84,062
Infrastructure	48,366,596	918,947	-	49,285,543
	<u>48,450,658</u>	<u>918,947</u>	-	<u>49,369,605</u>
<b>Less Accumulated Depreciation</b>				
Equipment	82,645	1,417	-	84,062
Infrastructure	14,935,290	1,855,885	-	16,791,175
	<u>15,017,935</u>	<u>1,857,302</u>	-	<u>16,875,237</u>
Total Depreciable Capital Assets	<u>33,432,723</u>	<u>(938,355)</u>	-	<u>32,494,368</u>
Total Capital Assets	<u>33,680,256</u>	<u>(906,648)</u>	-	<u>32,773,608</u>

Depreciation expense was charged to business-type activities as follows:

Water \$ 1,857,302

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT

##### General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,020,000 General Obligation Alternate Revenue Source Refunding Bonds of 2007, due in annual installments of \$5,000 to \$365,000 plus interest at 3.95% through December 1, 2018.	Water	\$ 1,370,000	-	320,000	1,050,000
\$2,000,000 General Obligation Alternate Revenue Source Bonds of 2008A, due in annual installments of \$1,000,000 plus interest at 5.00% through December 1, 2019.	Debt Service	2,000,000	-	-	2,000,000
\$7,375,000 General Obligation Alternate Revenue Source Refunding Bonds of 2010, due in annual installments of \$340,000 to \$605,000 plus interest at 2.00% to 4.00% through December 1, 2017.	Debt Service	1,630,000	-	475,000	1,155,000
\$4,410,000 General Obligation Alternate Revenue Source Refunding Bonds of 2011, due in annual installments of \$205,000 to \$450,000 plus interest at 2.00% to 3.125% through December 1, 2024.	Debt Service	3,525,000	-	250,000	3,275,000

## VILLAGE OF MONTGOMERY, ILLINOIS

### Notes to the Financial Statements April 30, 2016

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### LONG-TERM DEBT – Continued

###### General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$4,590,000 General Obligation Alternate Revenue Source Bonds of 2013, due in annual installments of \$120,000 to \$280,000 plus interest at 3.00% to 4.00% through December 1, 2038.	Water	\$ 4,470,000	-	125,000	4,345,000
\$3,335,000 Taxable General Obligation Alternate Revenue Refunding Source Bonds of 2014, due in annual installments of \$630,000 to \$710,000 plus interest at 3.00% to 3.50% through December 1, 2024.	Debt Service	3,335,000	-	-	3,335,000
		16,330,000	-	1,170,000	15,160,000

##### Capital Leases

The Village entered into a lease agreement as lessee for financing the acquisition of equipment. Capital assets of \$309,008 have been added to equipment as governmental activities. This lease agreement qualified as a capital lease for accounting purposes and; therefore, was recorded at the present value of the future minimum lease payments as of the inception date. As of April 30, 2016 this capital lease has been paid in full and there are no future minimum lease payments due.

##### Defeased Debt

In prior years, the Village defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's basic financial statements. Defeased bonds of \$1,600,000 remain outstanding as of the date of this report.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### IEPA Loans Payable

The Village has entered into an agreement with the IEPA to provide low interest financing for improvements to the sewer treatment plant, water treatment plant and the distribution system. IEPA revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan Payable of 2002, due in semi-annual installments of \$21,357 to \$36,902 plus interest of 2.675% through December 1, 2022.	Sewer	\$ 535,427	-	60,871	474,556
IEPA Loan Payable of 2011, due in semi-annual installments of \$91,940 to \$124,661 plus interest of 1.25% through April 19, 2032.	Sewer	3,831,532	-	203,620	3,627,912
IEPA Loan Payable of 2014, due in semi-annual installments of \$50,962 to \$76,463 plus interest of 1.995% through December 7, 2034.	Sewer	2,392,633	90,299	50,962	2,431,970
		<hr/>	<hr/>	<hr/>	<hr/>
		6,759,592	90,299	315,453	6,534,438

## VILLAGE OF MONTGOMERY, ILLINOIS

### Notes to the Financial Statements April 30, 2016

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 515,107	86,865	140,189	461,783	46,178
Net Pension Liability					
IMRF	1,381,242	329,605	-	1,710,847	-
Police Pension	3,995,994	2,212,884	-	6,208,878	-
Net Other Post-Employment					
Benefit Payable	53,835	28,910	-	82,745	-
General Obligation Bonds Payable	10,490,000	-	725,000	9,765,000	755,000
Unamortized Bond Premium	165,742	-	39,660	126,082	-
Capital Lease Payable	103,071	-	103,071	-	-
	<b>16,704,991</b>	<b>2,658,264</b>	<b>1,007,920</b>	<b>18,355,335</b>	<b>801,178</b>
<b>Business-Type Activities</b>					
Compensated Absences	66,629	25,849	29,615	62,863	6,286
Net Pension Liability					
IMRF	181,384	43,293	-	224,677	-
General Obligation Bonds Payable	5,840,000	-	445,000	5,395,000	460,000
Unamortized Bond Premium	155,585	-	10,438	145,147	-
IEPA Loans Payable	6,759,592	90,299	315,453	6,534,438	374,581
	<b>13,003,190</b>	<b>159,441</b>	<b>800,506</b>	<b>12,362,125</b>	<b>840,867</b>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, and the net other post-employment benefit obligation. The Debt Service Fund makes payments on the general obligation bonds payable. The Vehicle Reserve Fund makes payments on the Capital Lease Payable.

For the business-type activities the compensated absences, the net pension liability, the general obligation bonds payable, and the IEPA loans payable are being liquidated by the Water Fund.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities			
	General Obligation		Bonds Payable	General Obligation		IEPA	
	Principal	Interest		Principal	Interest	Principal	Interest
2017	\$ 755,000	333,365	460,000	204,026	374,581	102,257	
2018	810,000	311,390	480,000	187,042	381,537	95,976	
2019	1,375,000	283,090	500,000	169,318	388,060	89,576	
2020	1,385,000	224,652	140,000	150,850	394,708	83,056	
2021	1,025,000	165,508	145,000	146,650	401,480	76,412	
2022	1,050,000	136,734	145,000	142,300	408,380	69,644	
2023	1,085,000	106,753	150,000	137,950	415,410	62,748	
2024	1,120,000	75,253	155,000	133,450	347,284	56,219	
2025	1,160,000	38,913	160,000	128,800	352,559	51,085	
2026	-	-	165,000	122,400	357,916	45,870	
2027	-	-	175,000	115,800	363,360	40,571	
2028	-	-	180,000	108,800	368,891	35,188	
2029	-	-	190,000	101,600	374,511	29,719	
2030	-	-	195,000	94,000	380,221	24,163	
2031	-	-	205,000	86,200	386,024	18,517	
2032	-	-	210,000	78,000	391,920	12,781	
2033	-	-	220,000	69,600	146,248	7,737	
2034	-	-	230,000	60,800	149,180	4,972	
2035	-	-	240,000	51,600	152,168	2,151	
2036	-	-	245,000	42,000	-	-	
2037	-	-	255,000	32,200	-	-	
2038	-	-	270,000	22,000	-	-	
2039	-	-	280,000	11,200	-	-	
<b>Totals</b>	<b>9,765,000</b>	<b>1,675,658</b>	<b>5,395,000</b>	<b>2,396,586</b>	<b>6,534,438</b>	<b>908,642</b>	

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2015	<u>\$ 368,483,500</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>31,781,702</u>
 Amount of Debt Applicable to Limit	
General Obligation ARS Refunding Bonds of 2007	\$ 1,050,000
General Obligation ARS Bonds of 2008A	2,000,000
General Obligation ARS Refunding Bonds of 2010	1,155,000
General Obligation ARS Refunding Bonds of 2011	3,275,000
General Obligation ARS Bonds of 2013	4,345,000
Taxable General Obligation ARS Refunding Bonds of 2014	<u>3,335,000</u>
	<u>15,160,000</u>
Less: Alternate Revenue Source Bonds	<u>(15,160,000)</u>
Total Applicable Debt	<u>-</u>
Legal Debt Margin	<u>31,781,702</u>

##### Special Service Area Bonds

During fiscal year ended April 30, 2006, the Village issued \$275,000 Special Service Area No. 17 Bonds. The bonds are payable solely from the special service area taxes levied upon the properties located in the special service areas and do not constitute an indebtedness of the Village. The Village is acting solely as paying agent in collecting the taxes and remitting them to the bond holders. Accordingly, these bonds are not reported as a liability in the Village's financial statements. As of April 30, 2016, \$34,456 of the Special Service Area No. 17 bonds are outstanding.

##### Special Assessment Bonds

During fiscal year ended April 30, 2007, the Village refunded \$11,923,000 of special assessment bonds, which were paid from escrow during the fiscal year ended April 30, 2012. The refunding special assessment bonds, dated December 1, 2006, were outstanding as of April 30, 2016 and totaled \$10,464,000. These bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment, but is acting solely as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **LONG-TERM DEBT – Continued**

##### **Pledged Revenues**

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The General Obligation Alternate Revenue Source Bonds of 2007, issued for various water system improvements, are payable by a pledge of the Village's water operations revenue. The bonds have a remaining total pledge of \$1,134,136, with the bonds maturing December 1, 2018. During the current fiscal year, the pledge of water revenues for the bonds of \$374,115 was approximately 8.19% of total water revenues.

The General Obligation Alternate Revenue Source Bonds of 2008A, issued for the construction of the Village Hall, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$2,350,000 with the bonds maturing December 1, 2019. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$100,000 was approximately 2.12% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Refunding Bonds of 2010, issued to refund the General Obligation Alternate Revenue Source Bonds of 2002A, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$1,221,275 with the bonds maturing December 1, 2017. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$536,075 was approximately 11.39% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Refunding Bonds of 2011, issued to refund the General Obligation Alternate Revenue Source Bonds of 2005, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$3,774,163 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$395,950 was approximately 7.22% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Bonds of 2013, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$6,657,450, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$291,300 was approximately 6.38% of total water operating revenues.

The Taxable General Obligation Alternate Revenue Refunding Bonds of 2014, issued to refund a portion of the General Obligation Alternate Revenue Source Bonds of 2010, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$4,095,220 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$106,340 was approximately 2.25% of total sales, telecommunication and use tax.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2016:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 56,383,239
Plus: Unamortized Loss on Refunding	169,612
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2008A	(2,000,000)
General Obligation ARS Refunding Bonds of 2010	(1,155,000)
General Obligation ARS Refunding Bonds of 2011	(3,275,000)
General Obligation ARS Refunding Bonds of 2014	(3,335,000)
Unamortized Bond Premium	<u>(126,082)</u>
Net Investment in Capital Assets	<u>46,661,769</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	32,773,608
Plus: Unspent Bond Proceeds	180,269
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2007	(1,050,000)
General Obligation ARS Refunding Bonds of 2013	(4,345,000)
IEPA Loan Payable of 2002	(474,556)
IEPA Loan Payable of 2011	(3,627,912)
IEPA Loan Payable of 2014	(2,431,970)
Unamortized Bond Premium	<u>(145,147)</u>
Net Investment in Capital Assets	<u>20,879,292</u>

#### NET POSITION RESTATEMENT

Net position was restated due to the implementation of GASB Statement No. 68, a new capital asset policy and recognition of payables related to an economic incentive agreement. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 55,392,849	49,214,941	(6,177,908)
Water - Business-Type Activities	28,246,948	24,682,808	(3,564,140)
General Fund	3,659,756	3,504,209	(155,547)

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects			Totals			
			Capital Improvements	Infrastructure Improvement	Nonmajor				
<b>Fund Balances</b>									
Nonspendable									
Advances	\$ 553,227	-	-	-	-	553,227			
Prepays	64,515	-	-	-	-	64,515			
	<b>617,742</b>	-	-	-	-	<b>617,742</b>			
Restricted									
Economic Development	-	-	-	-	1,798,797	1,798,797			
Police	-	-	-	-	244,992	244,992			
Highways and Streets	-	-	-	-	274,708	274,708			
Subdivision Maintenance	-	-	-	-	787,057	787,057			
Subdivision Improvements	-	-	-	-	8,075	8,075			
Debt Service	-	56,089	-	-	-	56,089			
	<b>-</b>	<b>56,089</b>	-	-	<b>3,113,629</b>	<b>3,169,718</b>			
Assigned									
Capital	-	-	512,969	972,967	735,263	2,221,199			
Unassigned	3,394,156	-	-	-	(30,090)	3,364,066			
<b>Total Fund Balances</b>	<b>4,011,898</b>	<b>56,089</b>	<b>512,969</b>	<b>972,967</b>	<b>3,818,802</b>	<b>9,372,725</b>			

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

**Assigned Fund Balance.** The Village reports assigned fund balance in the Capital Improvements Fund and in the Infrastructure Improvement Fund, both major funds, and in the Vehicle Reserve Fund, a nonmajor fund. The Village's Board, through the fund balance policy, has given authority to management (Village Administrator) to assign funds as listed above based on approved management and Board expenditures as determined through the annual budget process.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements**

### **April 30, 2016**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **FUND BALANCE CLASSIFICATIONS – Continued**

**Minimum Fund Balance Policy.** The Village will strive to maintain a minimum unrestricted fund balance in the General Fund to fund operations for a period of at least three months (Cash Flow Commitment). The Cash Flow Commitment in the General Fund is adjusted with the adoption of the annual budget and is calculated as three months (25%) of current year expenditures.

#### **NOTE 4 – OTHER INFORMATION**

##### **RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses to employees; and natural disasters. To insure against the losses, the Village participates in the Municipal Insurance Cooperative Agency (MICA), a public entity risk pool with transfers of risk. The Village pays an annual premium to MICA for its coverage. The Village is not aware of any additional premiums owed to MICA as of April 30, 2016, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third party indemnity policy. The Village pays an annual premium to the insurance company for its coverage. Settled claims have not exceeded the coverage in the current or preceding two fiscal years.

##### **COMMITMENTS AND CONTINGENCIES**

###### **Economic Incentive**

The Village has entered into economic development agreements with four companies in Montgomery to provide sales tax rebates. The agreements require the Village to rebate to the companies' different levels of additional sales tax generated by the facilities. The total expenditures paid during the year ended April 30, 2016 was \$902,208, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$5,571,487.

###### **CONTINGENT LIABILITIES**

###### **Litigation**

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

###### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2016**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS**

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. A separate report is not issued for the Police Pension Plan. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### **Illinois Municipal Retirement Fund (IMRF)**

###### **Plan Descriptions**

*Plan Administration.* All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

###### Plan Descriptions – Continued

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

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

*Plan Membership.* As of December 31, 2015, the measurement date, the date of the most recent actuarial report, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	33
Inactive Plan Members Entitled to but not yet Receiving Benefits	48
Active Plan Members	<u>33</u>
Total	<u>114</u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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 Village's annual contribution rate for calendar year 2015 was 13.30% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

##### **Illinois Municipal Retirement Fund (IMRF) – Continued**

###### **Plan Descriptions – Continued**

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.40% to 16.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2016**

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### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

##### **Illinois Municipal Retirement Fund (IMRF) – Continued**

###### **Discount Rate**

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

###### **Discount Rate Sensitivity**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability	\$ 3,724,223	1,935,524	480,548

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

###### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 12,012,911	10,450,285	1,562,626
Changes for the Year:			
Service Cost	231,852	-	231,852
Interest on the Total Pension Liability	891,008	-	891,008
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(308,800)	-	(308,800)
Changes of Assumptions	-	-	-
Contributions - Employer	-	298,271	(298,271)
Contributions - Employees	-	100,919	(100,919)
Net Investment Income	-	52,165	(52,165)
Benefit Payments, including Refunds			
of Employee Contributions	(433,918)	(433,918)	-
Other (Net Transfer)	-	(10,193)	10,193
Net Changes	380,142	7,244	372,898
Balances at December 31, 2015	<u>12,393,053</u>	<u>10,457,529</u>	<u>1,935,524</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$213,808. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(215,434)	(215,434)
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	583,938	-	583,938
Pension Contributions Made Subsequent to the Measurement Date	88,857	-	88,857
Total Deferred Amounts Related to IMRF	<u>672,795</u>	<u>(215,434)</u>	<u>457,361</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 141,475
2018	52,618
2019	117,282
2020	145,986
2021	-
Thereafter	-
Total	<u>457,361</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Police Pension Plan

##### Plan Descriptions

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At April 30, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>25</u>
Total	<u><u>34</u></u>

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2016**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

##### **Police Pension Plan – Continued**

###### **Plan Descriptions – Continued**

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the Village's contribution was 20.49% of covered payroll.

*Significant Investments.* At year end, the Pension Plan has no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2016**

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### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

##### **Police Pension Plan – Continued**

###### **Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 7.00%
Cost of Living Adjustments	3.25%
Inflation	2.50%

Mortality rates were based on the assumption study prepared by the independent actuary in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

###### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

###### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 8,661,447	6,208,878	4,246,888

###### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 12,202,590	8,206,596	3,995,994
Changes for the Year:			
Service Cost	400,101	-	400,101
Interest on the Total Pension Liability	837,341	-	837,341
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(589,343)	-	(589,343)
Changes of Assumptions	2,189,746	-	2,189,746
Contributions - Employer	-	452,282	(452,282)
Contributions - Employees	-	216,533	(216,533)
Net Investment Income	-	(25,628)	25,628
Benefit Payments, including Refunds			
of Employee Contributions	(481,164)	(481,164)	-
Administrative Expense	-	(18,226)	18,226
Net Changes	2,356,681	143,797	2,212,884
Balances at April 30, 2016	14,559,271	8,350,393	6,208,878

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$728,683. At April 30, 2016, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(534,571)	(534,571)
Change in Assumptions	1,986,238	-	1,986,238
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	484,816	-	484,816
Total Deferred Amounts Related to Police Pension	<u>2,471,054</u>	<u>(534,571)</u>	<u>1,936,483</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 269,940
2018	269,940
2019	269,940
2020	269,940
2021	148,736
Thereafter	<u>707,987</u>
Total	<u>1,936,483</u>

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2016**

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### **NOTE 4 – OTHER INFORMATION – Continued**

#### **OTHER POST-EMPLOYMENT BENEFITS**

##### **Plan Descriptions, Provisions, and Funding Policies**

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2016, retirees contributed \$78,150. Active employees do not contribute to the plan until retirement.

At April 30, 2016 membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	54
Active Employees	6
Total	<u>60</u>
Participating Employers	1

The Village does not currently have a funding policy.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2016, was calculated as follows:

Annual Required Contribution	\$ 176,833
Interest on the NOPEBO	2,153
Adjustment to the ARC	<u>(1,993)</u>
Annual OPEB Cost	176,993
Actual Contribution	<u>148,083</u>
Change in NOPEBO	28,910
NOPEBO - Beginning	<u>53,835</u>
NOPEBO - Ending	<u><u>82,745</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

##### Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 56,726	\$ 43,396	76.50%	\$ 40,482
2015	56,749	43,396	76.47%	53,835
2016	176,993	148,083	83.67%	82,745

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements April 30, 2016**

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### **NOTE 4 – OTHER INFORMATION – Continued**

#### **OTHER POST-EMPLOYMENT BENEFITS – Continued**

##### **Funded Status and Funding Progress**

The funded status of the plan as of April 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,759,939
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,759,939
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 4,059,995
UAAL as a Percentage of Covered Payroll	67.98%

##### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2016 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (including a 2.50% inflation assumption) and an initial healthcare cost trend rate of 2.90% to 7.80%, with an ultimate rate of 2.90% to 5.00%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 27 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions  
Other Post-Employment Benefit Plan
- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund  
Police Pension Fund
- Schedule of Investment Returns  
Police Pension Fund
- Budgetary Comparison Schedule  
General Fund

### Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Other Post-Employment Benefit Plan

### Required Supplementary Information

#### Schedule of Funding Progress and Employer Contributions

April 30, 2016

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#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan	Assets	(1) Actuarial	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded)		(5) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
						Actuarial	Unfunded (Overfunded)		
4/30/2011	\$ N/A	\$ N/A	N/A	N/A	N/A	\$ N/A	\$ N/A	N/A	N/A
4/30/2012	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2013	-		882,324	0.00%	882,324		3,442,427		25.63%
4/30/2014	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2015	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2016	-		2,759,939	0.00%	2,759,939		4,059,995		67.98%

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2011	\$ 24,773	\$ 31,224	79.34%
2012	24,773	31,224	79.34%
2013	24,773	31,224	79.34%
2014	43,396	56,726	76.50%
2015	43,396	56,576	76.70%
2016	148,083	176,833	83.74%

N/A - Not Available

The Village is required to have an actuarial valuation performed triennially.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2016

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Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 298,271	\$ 298,271	\$ -	\$ 2,242,641	13.30%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2016

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of
					Covered-Employee Payroll
2015	\$ 455,783	\$ 449,027	\$ (6,756)	\$ 2,010,832	22.33%
2016	427,528	452,282	24,754	2,207,261	20.49%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Projected Unit Credit (Level Dollars)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.75% to 7.00%
Investment Rate of Return	7.00%
Mortality	Independent actuary 2016 Illinois Police Mortality Rates

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability

April 30, 2016

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12/31/2015

Total Pension Liability	
Service Cost	\$ 231,852
Interest	891,008
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(308,800)
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(433,918)</u>
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	<u>12,012,911</u>
Total Pension Liability - Ending	<u>12,393,053</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,271
Contributions - Members	100,919
Net Investment Income	52,165
Benefit Payments, Including Refunds of Member Contributions	(433,918)
Administrative Expense	<u>(10,193)</u>
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	<u>10,450,285</u>
Plan Net Position - Ending	<u>10,457,529</u>
Employer's Net Pension Liability	<u>\$ 1,935,524</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%
Covered-Employee Payroll	\$ 2,242,641
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	86.31%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability

April 30, 2016

	4/30/2015	4/30/2016
<b>Total Pension Liability</b>		
Service Cost	\$ 463,455	400,101
Interest	782,101	837,341
Differences Between Expected and Actual Experience	-	(589,343)
Change in Assumptions	1,251,387	2,189,746
Benefit Payments, Including Refunds of Member Contributions	(431,684)	(481,164)
 Net Change in Total Pension Liability	 2,065,259	 2,356,681
<b>Total Pension Liability - Beginning</b>	<b>10,137,331</b>	<b>12,202,590</b>
 Total Pension Liability - Ending	 <b>12,202,590</b>	 <b>14,559,271</b>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 449,027	452,282
Contributions - Members	228,037	216,533
Net Investment Income	471,668	(25,628)
Benefit Payments, Including Refunds of Member Contributions	(431,684)	(481,164)
Administrative Expense	(8,625)	(18,226)
 Net Change in Plan Fiduciary Net Position	 708,423	 143,797
<b>Plan Net Position - Beginning</b>	<b>7,498,173</b>	<b>8,206,596</b>
 Plan Net Position - Ending	 <b>8,206,596</b>	 <b>8,350,393</b>
 <b>Employer's Net Pension Liability</b>	 <b>\$ 3,995,994</b>	 <b>6,208,878</b>
 <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	 67.25%	 57.35%
 <b>Covered-Employee Payroll</b>	 \$ 2,010,832	 2,207,261
 <b>Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	 198.72%	 281.29%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2016**

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<b>Fiscal Year</b>	<b>Annual Money- Weighted Rate of Return, Net of Investment Expense</b>
2015	6.54%
2016	0.29%

**Note:**

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 2,242,839	2,241,843
Other Taxes	128,156	128,293
Licenses, Permits and Fees	411,287	447,653
Intergovernmental, Grants and Contributions	5,702,155	6,333,078
Charges for Services	324,845	310,585
Fines and Forfeitures	315,500	319,217
Investment Earnings	26,250	26,118
Miscellaneous	113,450	132,824
<b>Total Revenues</b>	<b>9,264,482</b>	<b>9,939,611</b>
<b>Expenditures</b>		
Current		
General Government	3,006,722	2,985,297
Public Safety	4,516,670	4,408,227
Highways and Streets	1,656,562	1,559,510
Capital Outlay	59,800	70,940
<b>Total Expenditures</b>	<b>9,239,754</b>	<b>9,023,974</b>
<b>Excess (Deficiency) of Revenues</b>		
Over (Under) Expenditures	<b>24,728</b>	<b>915,637</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	160,000	-
Transfers Out	-	(407,948)
	<b>160,000</b>	<b>(407,948)</b>
<b>Net Change in Fund Balance</b>	<b>184,728</b>	<b>507,689</b>
<b>Fund Balance - Beginning as Restated</b>		<b>3,504,209</b>
<b>Fund Balance - Ending</b>		<b>4,011,898</b>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Combining Statements – Enterprise Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statement of Changes in Assets and Liabilities – Agency Funds

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

#### **Economic Development Fund**

The Economic Development Fund is used to account for the community development revolving loan program initially funded by 2 grants from the Illinois Department of Commerce and Economic Opportunity (DCEO), restricted to provide loans to local businesses.

#### **Forfeiture and Seizure Fund**

The Forfeiture and Seizure Fund is used to account for Kane and Kendall County court fines, written by Village of Montgomery officers, which are restricted for certain purposes including drug and DUI prevention.

#### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

#### **Emergency 911 Fund**

The Emergency 911 Fund is used to account for Kane and Kendall County wireless 911 surcharge fees restricted for emergency 911 enhancements.

#### **Police Gift Fund**

The Police Gift Fund is used to account for contributions from donors restricted for educational and equipment purchases for the police force.

#### **Montgomery Crossing Special Service Area Fund**

The Montgomery Crossing Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Montgomery Crossing development.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **SPECIAL REVENUE FUNDS – Continued**

#### **Blackberry Crossing Special Service Area Fund**

The Blackberry Crossing Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Blackberry Crossing development.

#### **Ogden Hill Special Service Area Fund**

The Ogden Hill Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Ogden Hill development.

#### **Marquis Pointe Special Service Area Fund**

The Marquis Pointe Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Marquis Pointe development.

#### **Balmorea Special Service Area Fund**

The Balmorea Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Balmorea development.

#### **Arbor Ridge Special Service Area Fund**

The Arbor Ridge Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Arbor Ridge development.

#### **Fairfield Way Special Service Area Fund**

The Fairfield Way Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Fairfield Way development.

#### **Foxmoor Special Service Area Fund**

The Foxmoor Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Foxmoor development.

#### **Tax Increment Financing District #1 Fund**

The Tax Increment Financing (TIF) District #1 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's U.S. Route 30 and Fifth Street TIF District.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **SPECIAL REVENUE FUNDS – Continued**

#### **Tax Increment Financing District #2 Fund**

The Tax Increment Financing (TIF) District #2 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Aucutt Road TIF District.

#### **Saratoga Springs Special Service Area Fund**

The Saratoga Springs Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Saratoga Springs development.

#### **Orchard Prairie North Special Service Area Fund**

The Orchard Prairie North Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Orchard Prairie North development.

#### **Blackberry Crossing West Special Service Area Fund**

The Blackberry Crossing West Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Blackberry Crossing West development.

#### **Fieldstone Special Service Area Fund**

The Fieldstone Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Fieldstone development.

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### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

#### **Debt Service Fund**

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2008A, Series 2010, Series 2011, and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements.

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## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds).

#### **Capital Improvement Fund**

The Capital Improvement Fund is used to account for funds restricted, committed, or assigned to the acquisition, construction and improvement of governmental general capital assets (not being financed by proprietary funds). Activities are financed by utility taxes, grants, rent on Village properties, and developer contributions.

#### **Infrastructure Improvement Fund**

The Infrastructure Improvement Fund is used to account for funds restricted, committed, or assigned to the acquisition, construction and improvement of governmental infrastructure capital assets (not being financed by proprietary funds) throughout the community. Activities are financed by the 1% non-home rule sales tax.

#### **Vehicle Reserve Fund**

The Vehicle Reserve Fund is used to account for contributions from other departments assigned for the future replacement of vehicles and equipment.

#### **Lakewood Creek Project Fund**

The Lakewood Creek Project Fund is used to account for the revenue restricted to capital improvements in the Lakewood Creek neighborhood. The public improvements are complete and the fees paid for third-party management of the Lakewood Creek Special Assessment now flow through this fund.

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### **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

#### **Water Fund**

The Water Fund is used to account for the revenues and expenses relative to the operation of the water utility.

#### **Refuse Fund**

The Refuse Fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their bi-monthly utility bill.

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## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

#### **Employee Insurance Fund**

The Employee Insurance Fund is used to account for the internal contributions (employer and employee) for providing group health, dental, and life insurance to Village employees.

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### **TRUST AND AGENCY FUNDS**

#### **PENSION TRUST FUND**

##### **Police Pension Fund**

The Police Pension Fund is used to account for the resources necessary to provide retirement and disability pension benefits to full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Financing is provided by the Village contributions, employee payroll withholdings, and investment income.

#### **AGENCY FUNDS**

##### **Talma Street Special Service Area Fund**

The Talma Street Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #96-1 Bonds.

##### **Escrow Fund**

The Escrow Fund is used to account for the developer contributions held on behalf of other governments and for developer deposits.

##### **Flexible Benefit Fund**

The Flexible Benefit Fund is used to account for employee flexible spending accounts (FSA) and dependent care accounts (DCA).

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

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### **TRUST AND AGENCY FUNDS – Continued**

#### **AGENCY FUNDS – Continued**

##### **Lakewood Creek Special Assessment Fund**

The Lakewood Creek Special Assessment Fund is used to account for the contributions from property owners and payments of principal and interest on the Special Assessment Bonds.

##### **Blackberry Crossing West Special Service Area Fund**

The Blackberry Crossing West Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #10 Bonds.

##### **Cornell Special Service Area Fund**

The Cornell Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #17 Bonds.

##### **Temporary Certificate of Occupancy (CO) Fund**

The Temporary CO Fund is used to account for the deposits held to ensure completion of final plans and projects on new commercial and residential construction.

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**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 950,689	965,441
Police Pension	453,447	452,282
Social Security	224,061	223,510
IMRF	224,061	223,510
Insurance	263,932	263,260
Road and Bridge	<u>126,649</u>	<u>113,840</u>
	<u>2,242,839</u>	<u>2,241,843</u>
Other Taxes		
Utility Tax	77,756	68,032
Video Gaming Tax	<u>50,400</u>	<u>60,261</u>
	<u>128,156</u>	<u>128,293</u>
Licenses, Permits and Fees		
Licenses		
Licor	26,800	29,804
Pull Tab	1,020	-
Amusement Machine	1,050	1,000
Tobacco	300	400
Contractors	28,125	22,990
Other	-	30
Permits		
Building	110,000	120,659
Oversized Vehicle	8,000	11,775
Solicitor	500	1,830
Other	100	200
Fees		
Cable Franchise	<u>235,392</u>	<u>258,965</u>
Total Licenses, Permits, and Fees	<u>411,287</u>	<u>447,653</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Intergovernmental</b>		
Sales Tax	\$ 3,437,768	3,863,843
State Income Tax	1,825,362	1,964,982
Corporate Replacement Tax	57,838	47,522
Road and Bridge Replacement Tax	7,230	8,750
Local Use Tax	357,697	436,512
State Grant - Body Armor (Police)	1,500	1,752
State Grant - ILCC Tobacco (Police)	1,760	1,760
State Grant - Traffic Safety (Police)	13,000	7,957
 Total Intergovernmental	 5,702,155	 6,333,078
 <b>Charges for Services</b>		
Refuse Removal	7,000	6,872
Plumbing Inspections	16,000	16,820
Engineering Inspections	11,000	5,900
Reinspections	500	-
Planning - Plan Commission Applications	6,000	6,200
Professional Services Reimbursements - Dispatch Service	12,840	12,346
Professional Services Reimbursements - Engineering Service	141,750	122,753
Professional Services Reimbursements - Legal Service	36,750	26,497
Professional Services Reimbursements - Planning Service	10,500	17,017
Professional Services Reimbursements - Printing and Publishing	1,000	88
Police Reimbursements - Training	7,500	16,768
Police Reimbursements - Special Duty	1,800	5,144
Police Reimbursements - Other	3,000	3,771
Police Reimbursements - Firing Range	300	1,017
Other Reimbursements - Streets	15,000	18,881
Other Reimbursements - Credit Card Fees	14,000	13,820
Other Reimbursements - Mowing (Kaneland)	7,905	7,301
Other Reimbursements - Miscellaneous	30,000	28,374
Rents and Royalties - Municipal Building Rental	2,000	1,016
 Total Charges for Services	 324,845	 310,585

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Fines and Forfeitures</b>		
Tow Impoundment Fee	\$ 130,000	128,500
Court Fines - Village	32,000	18,205
Court Fines - Kane County	120,000	143,480
Court Fines - Kendall County	12,000	11,639
Patrol Car Maintenance Fines - Kane County	16,000	10,778
Patrol Car Maintenance Fines - Kendall County	1,500	1,440
Code Enforcement Fines	4,000	5,175
 Total Fines and Forfeitures	 315,500	 319,217
<b>Investment Earnings</b>		
Interest	26,250	26,118
<b>Miscellaneous</b>		
Other Reimbursements - Insurance	30,000	48,566
Donations - Montgomery Fest	53,000	56,371
Donations - Beautification	5,000	8,481
Donations - River Run	12,000	12,635
Donations - Garage Sales	2,000	840
Donations - Settler's Cottage	500	-
Donations - HPC Brick Paver Program	500	200
Donations - Senior Luncheon	2,000	1,593
Donations - Parkway Tree Program	5,000	2,400
Donations - Car Show	3,000	1,567
Salable Items - History Books	350	140
Salable Items - Miscellaneous	100	31
 Total Miscellaneous	 113,450	 132,824
 Total Revenues	 9,264,482	 9,939,611

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>General Government</b>		
<b>Elected Officials</b>		
Personal Services	\$ 69,936	69,293
Contractual Services	78,475	79,404
Commodities	860	1,123
	<hr/> 149,271	<hr/> 149,820
<b>Village Administrator</b>		
Personal Services	280,056	276,962
Contractual Services	73,183	64,147
Commodities	4,115	4,263
	<hr/> 357,354	<hr/> 345,372
<b>Finance</b>		
<b>Accounting</b>		
Personal Services	424,261	421,538
Contractual Services	362,168	388,757
Commodities	6,880	5,129
	<hr/> 793,309	<hr/> 815,424
<b>Utility Billing</b>		
Personal Services	118,784	117,172
Contractual Services	44,968	67,797
Commodities	28,330	25,193
	<hr/> 192,082	<hr/> 210,162
	985,391	1,025,586
<b>Less: Internal Charges</b>	<hr/> (516,726)	<hr/> (548,305)
<b>Total Finance</b>	<hr/> 468,665	<hr/> 477,281
<b>Legal</b>		
Contractual Services	171,000	206,373

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 202,000	192,860
Community Development		
Economic Development		
Contractual Services	92,000	93,345
Other	943,635	902,208
	<hr/> 1,035,635	<hr/> 995,553
Planning and Zoning		
Personal Services	253,939	252,476
Contractual Services	46,085	34,265
Commodities	3,835	10,596
	<hr/> 303,859	<hr/> 297,337
Code Enforcement and Inspections		
Personal Services	271,685	273,527
Contractual Services	44,288	45,964
Commodities	2,965	1,210
	<hr/> 318,938	<hr/> 320,701
Total Community Development	<hr/> 1,658,432	<hr/> 1,613,591
Total General Government	<hr/> 3,006,722	<hr/> 2,985,297
Public Safety		
Police		
Administration		
Personal Services	391,185	389,268
Contractual Services	205,887	186,271
Commodities	6,620	7,556
	<hr/> 603,692	<hr/> 583,095

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Public Safety - Continued</b>		
Police - Continued		
Support Services		
Personal Services	\$ 176,021	170,760
Contractual Services	260,641	262,021
	<hr/>	<hr/>
	436,662	432,781
Patrol		
Personal Services	2,879,727	2,792,034
Contractual Services	297,419	299,688
Commodities	16,100	18,552
	<hr/>	<hr/>
	3,193,246	3,110,274
Investigations		
Personal Services	257,914	258,887
Contractual Services	7,240	2,839
Commodities	8,588	9,061
	<hr/>	<hr/>
	273,742	270,787
Police Commission		
Personal Services	753	-
Contractual Services	3,625	4,771
Commodities	250	494
	<hr/>	<hr/>
	4,628	5,265
ESDA		
Contractual Services	4,500	6,025
Commodities	200	-
	<hr/>	<hr/>
	4,700	6,025
<b>Total Public Safety</b>	<hr/>	<hr/>
	4,516,670	4,408,227

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Highways and Streets</b>		
Administration		
Personal Services	\$ 106,062	98,017
Contractual Services	25,554	40,920
Commodities	3,300	3,057
	<hr/> 134,916	<hr/> 141,994
Streets		
Personal Services	443,879	404,241
Contractual Services	444,107	432,427
Commodities	39,650	48,450
	<hr/> 927,636	<hr/> 885,118
Vehicle Maintenance		
Personal Services	109,690	112,198
Contractual Services	100,220	112,917
Commodities	165,100	125,199
	<hr/> 375,010	<hr/> 350,314
Buildings and Grounds		
Personal Services	182,491	181,370
Contractual Services	329,994	317,587
Commodities	3,000	3,321
	<hr/> 515,485	<hr/> 502,278
Stormwater Management		
Contractual Services	<hr/> 35,000	<hr/> 11,414
	1,988,047	1,891,118
Less: Internal Charges	<hr/> (331,485)	<hr/> (331,608)
Total Highways and Streets	<hr/> 1,656,562	<hr/> 1,559,510

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Capital Outlay		
General Government	\$ 17,000	28,335
Community Development	4,300	6,655
Public Safety	19,500	26,561
Highways and Streets	19,000	9,389
	<hr/>	<hr/>
Total Capital Outlay	59,800	70,940
	<hr/>	<hr/>
Total Expenditures	9,239,754	9,023,974
	<hr/>	<hr/>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Revenues		
Interest	\$ -	-
Expenditures		
Debt Service		
Principal Retirement	725,000	725,000
Interest and Fiscal Charges	359,165	359,165
Total Expenditures	<u>1,084,165</u>	<u>1,084,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,084,165)	(1,084,165)
Other Financing Sources		
Transfers In	<u>1,084,165</u>	<u>1,084,165</u>
Net Change in Fund Balance	<u>—</u>	<u>—</u>
Fund Balance - Beginning		<u>56,089</u>
Fund Balance - Ending		<u>56,089</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Capital Improvement - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Other Taxes		
Utility Taxes	\$ 1,345,356	1,188,041
Intergovernmental, Grants and Contributions	186,000	114,963
Charges for Services	12,970	19,283
Interest	1,800	3,949
Miscellaneous	67,783	131,812
Total Revenues	<u>1,613,909</u>	<u>1,458,048</u>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	-	5,857
Capital Outlay	198,000	190,696
Total Expenditures	<u>198,000</u>	<u>196,553</u>
<b>Excess (Deficiency) of Revenues</b>		
Over (Under) Expenditures	<u>1,415,909</u>	<u>1,261,495</u>
<b>Other Financing Sources (Uses)</b>		
Disposal of Capital Assets	-	400
Transfers In	-	396,510
Transfers Out	(1,244,165)	(1,084,165)
	<u>(1,244,165)</u>	<u>(687,255)</u>
<b>Net Change in Fund Balances</b>	<u>171,744</u>	<u>574,240</u>
<b>Fund Balances - Beginning</b>		<u>(61,271)</u>
<b>Fund Balances - Ending</b>		<u>512,969</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Infrastructure Improvement - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Non-Home Rule Sales Tax	\$ 1,500,000	2,103,584
Contributions	-	672,000
Interest	1,000	-
Total Revenues	<u>1,501,000</u>	<u>2,775,584</u>
<b>Expenditures</b>		
Current		
Highways and Streets		
Contractual Services	778,400	1,189,944
Capital Outlay	-	594,673
Total Expenditures	<u>778,400</u>	<u>1,784,617</u>
Net Change in Fund Balance	<u>722,600</u>	<u>990,967</u>
Fund Balance - Beginning		<u>(18,000)</u>
Fund Balance - Ending		<u>972,967</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2016**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 1,973,309	743,338	2,716,647
Receivables - Net of Allowances			
Property Taxes	577,605	-	577,605
Notes	1,139,337	-	1,139,337
Due from Other Governments	41,961	-	41,961
 Total Assets	 3,732,212	 743,338	 4,475,550
<b>LIABILITIES</b>			
Accounts Payable	26,824	-	26,824
Retainage Payable	26,169	-	26,169
Due to Other Funds	26,150	-	26,150
Total Liabilities	79,143	-	79,143
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	577,605	-	577,605
Total Liabilities and Deferred Inflows of Resources	656,748	-	656,748
<b>FUND BALANCES</b>			
Restricted	3,105,554	8,075	3,113,629
Assigned	-	735,263	735,263
Unassigned	(30,090)	-	(30,090)
Total Fund Balances	3,075,464	743,338	3,818,802
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 3,732,212	 743,338	 4,475,550

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Property Taxes	\$ 439,852	-	439,852
Intergovernmental, Grants and Contributions	521,077	-	521,077
Fines and Forfeitures	21,935	-	21,935
Charges for Services	141,736	687,303	829,039
Interest	14,545	2	14,547
Miscellaneous	600	23,562	24,162
<b>Total Revenues</b>	<b>1,139,745</b>	<b>710,867</b>	<b>1,850,612</b>
<b>Expenditures</b>			
Current			
General Government	50,458	58,308	108,766
Public Safety	26,223	-	26,223
Highways and Streets	929,532	-	929,532
Capital Outlay	70,425	441,893	512,318
Debt Service			
Principal	-	103,071	103,071
Interest and Fiscal Charges	-	4,896	4,896
<b>Total Expenditures</b>	<b>1,076,638</b>	<b>608,168</b>	<b>1,684,806</b>
Excess (Deficiency) of Revenues Over Expenditures	63,107	102,699	165,806
<b>Other Financing Sources</b>			
Transfers In	11,438	-	11,438
Disposal of Capital Assets	-	68,250	68,250
	<b>11,438</b>	<b>68,250</b>	<b>79,688</b>
Net Change in Fund Balances	74,545	170,949	245,494
Fund Balances - Beginning	3,000,919	572,389	3,573,308
<b>Fund Balances - Ending</b>	<b>3,075,464</b>	<b>743,338</b>	<b>3,818,802</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2016**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2016**

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	<u>Economic Development</u>	<u>Forfeiture and Seizure</u>	<u>Motor Fuel Tax</u>	<u>Emergency 911</u>
<b>ASSETS</b>				
Cash and Investments	\$ 476,571	63,728	258,916	188,769
Receivables - Net of Allowances				
Property Taxes	-	-	-	-
Notes	1,139,337	-	-	-
Due from Other Governments	-	-	41,961	-
<b>Total Assets</b>	<b>1,615,908</b>	<b>63,728</b>	<b>300,877</b>	<b>188,769</b>
<b>LIABILITIES</b>				
Accounts Payable	-	6,355	-	7,275
Retainage Payable	-	-	26,169	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>6,355</b>	<b>26,169</b>	<b>7,275</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	6,355	26,169	7,275
<b>FUND BALANCES</b>				
Restricted	1,615,908	57,373	274,708	181,494
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>1,615,908</b>	<b>57,373</b>	<b>274,708</b>	<b>181,494</b>
<b>Total Liabilities and Fund Balances</b>	<b>1,615,908</b>	<b>63,728</b>	<b>300,877</b>	<b>188,769</b>

Police Gift	Montgomery Crossings Special Service Area	Blackberry Crossings Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area
6,125	135,803	63,360	27,778	23,256	-
-	53,001	11,001	24,028	14,028	34,500
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,125</u>	<u>188,804</u>	<u>74,361</u>	<u>51,806</u>	<u>37,284</u>	<u>34,500</u>
<hr/>					
-	751	291	-	-	-
-	-	-	-	-	-
-	-	-	-	-	416
<u>-</u>	<u>751</u>	<u>291</u>	<u>-</u>	<u>-</u>	<u>416</u>
<hr/>					
-	53,001	11,001	24,028	14,028	34,500
<u>-</u>	<u>53,752</u>	<u>11,292</u>	<u>24,028</u>	<u>14,028</u>	<u>34,916</u>
<hr/>					
6,125	135,052	63,069	27,778	23,256	-
-	-	-	-	-	(416)
<u>6,125</u>	<u>135,052</u>	<u>63,069</u>	<u>27,778</u>	<u>23,256</u>	<u>(416)</u>
<u>6,125</u>	<u>188,804</u>	<u>74,361</u>	<u>51,806</u>	<u>37,284</u>	<u>34,500</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet - Continued**

**April 30, 2016**

	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1
<b>ASSETS</b>				
Cash and Investments	\$ 44,886	173,326	121,127	184,109
Receivables - Net of Allowances				
Property Taxes	18,216	40,000	43,000	39,629
Notes	-	-	-	-
Due from Other Governments	-	-	-	-
 Total Assets	 63,102	 213,326	 164,127	 223,738
<b>LIABILITIES</b>				
Accounts Payable	476	1,438	1,914	1,220
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	-	-
 Total Liabilities	 476	 1,438	 1,914	 1,220
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	18,216	40,000	43,000	39,629
Total Liabilities and Deferred				
Inflows of Resources	18,692	41,438	44,914	40,849
<b>FUND BALANCES</b>				
Restricted	44,410	171,888	119,213	182,889
Unassigned	-	-	-	-
 Total Fund Balances	 44,410	 171,888	 119,213	 182,889
 Total Liabilities and Fund Balances	 63,102	 213,326	 164,127	 223,738

Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
-	37,871	30,018	119,370	18,296	1,973,309
191,701	12,000	27,000	63,001	6,500	577,605
-	-	-	-	-	1,139,337
-	-	-	-	-	41,961
<u>191,701</u>	<u>49,871</u>	<u>57,018</u>	<u>182,371</u>	<u>24,796</u>	<u>3,732,212</u>
3,940	291	1,013	1,598	262	26,824
-	-	-	-	-	26,169
25,734	-	-	-	-	26,150
<u>29,674</u>	<u>291</u>	<u>1,013</u>	<u>1,598</u>	<u>262</u>	<u>79,143</u>
191,701	12,000	27,000	63,001	6,500	577,605
<u>221,375</u>	<u>12,291</u>	<u>28,013</u>	<u>64,599</u>	<u>6,762</u>	<u>656,748</u>
-	37,580	29,005	117,772	18,034	3,105,554
(29,674)	-	-	-	-	(30,090)
(29,674)	37,580	29,005	117,772	18,034	3,075,464
<u>191,701</u>	<u>49,871</u>	<u>57,018</u>	<u>182,371</u>	<u>24,796</u>	<u>3,732,212</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	<u>Economic Development</u>	<u>Forfeiture and Seizure</u>	<u>Motor Fuel Tax</u>	<u>Emergency 911</u>
<b>Revenues</b>				
Property Taxes	\$ -	-	-	-
Intergovernmental, Grants and Contributions	-	-	521,077	-
Fines and Forfeitures	-	21,935	-	-
Charges for Services	-	-	-	141,736
Interest	14,086	-	459	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>14,086</b>	<b>21,935</b>	<b>521,536</b>	<b>141,736</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,915	-	-	-
Public Safety	-	8,543	-	16,055
Highways and Streets	-	-	609,474	-
<b>Capital Outlay</b>	<b>-</b>	<b>20,140</b>	<b>-</b>	<b>50,285</b>
<b>Total Expenditures</b>	<b>1,915</b>	<b>28,683</b>	<b>609,474</b>	<b>66,340</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>12,171</b>	<b>(6,748)</b>	<b>(87,938)</b>	<b>75,396</b>
<b>Other Financing Sources</b>				
<b>Transfers In</b>				
Net Change in Fund Balances	12,171	(6,748)	(87,938)	75,396
<b>Fund Balances - Beginning</b>	<b>1,603,737</b>	<b>64,121</b>	<b>362,646</b>	<b>106,098</b>
<b>Fund Balances - Ending</b>	<b>1,615,908</b>	<b>57,373</b>	<b>274,708</b>	<b>181,494</b>

Police Gift	Montgomery Crossings Special Service Area	Blackberry Crossings Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area
-	53,003	10,965	22,528	13,526	29,789
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
600	-	-	-	-	-
<b>600</b>	<b>53,003</b>	<b>10,965</b>	<b>22,528</b>	<b>13,526</b>	<b>29,789</b>
 1,625	 - 50,719	 - 11,764	 - 19,429	 - 11,410	 - 28,956
<b>1,625</b>	<b>50,719</b>	<b>11,764</b>	<b>19,429</b>	<b>11,410</b>	<b>28,956</b>
 (1,025)	 2,284	 (799)	 3,099	 2,116	 833
 -	 -	 -	 -	 -	 11,438
 (1,025)	 2,284	 (799)	 3,099	 2,116	 12,271
 7,150	 132,768	 63,868	 24,679	 21,140	 (12,687)
 <b>6,125</b>	 <b>135,052</b>	 <b>63,069</b>	 <b>27,778</b>	 <b>23,256</b>	 <b>(416)</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued  
For the Fiscal Year Ended April 30, 2016**

	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1
<b>Revenues</b>				
Property Taxes	\$ 18,319	49,976	42,468	40,918
Intergovernmental, Grants and Contributions	-	-	-	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>18,319</b>	<b>49,976</b>	<b>42,468</b>	<b>40,918</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	-	-	-	4,882
Public Safety	-	-	-	-
Highways and Streets	12,719	41,592	57,564	-
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>12,719</b>	<b>41,592</b>	<b>57,564</b>	<b>4,882</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>5,600</b>	<b>8,384</b>	<b>(15,096)</b>	<b>36,036</b>
<b>Other Financing Sources</b>				
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>5,600</b>	<b>8,384</b>	<b>(15,096)</b>	<b>36,036</b>
<b>Fund Balances - Beginning</b>	<b>38,810</b>	<b>163,504</b>	<b>134,309</b>	<b>146,853</b>
<b>Fund Balances - Ending</b>	<b>44,410</b>	<b>171,888</b>	<b>119,213</b>	<b>182,889</b>

Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
51,881	12,000	25,000	62,979	6,500	439,852
-	-	-	-	-	521,077
-	-	-	-	-	21,935
-	-	-	-	-	141,736
-	-	-	-	-	14,545
-	-	-	-	-	600
<b>51,881</b>	<b>12,000</b>	<b>25,000</b>	<b>62,979</b>	<b>6,500</b>	<b>1,139,745</b>
43,661	-	-	-	-	50,458
-	-	-	-	-	26,223
-	12,734	22,838	44,927	5,406	929,532
-	-	-	-	-	70,425
<b>43,661</b>	<b>12,734</b>	<b>22,838</b>	<b>44,927</b>	<b>5,406</b>	<b>1,076,638</b>
8,220	(734)	2,162	18,052	1,094	63,107
-	-	-	-	-	11,438
8,220	(734)	2,162	18,052	1,094	74,545
(37,894)	38,314	26,843	99,720	16,940	3,000,919
<b>(29,674)</b>	<b>37,580</b>	<b>29,005</b>	<b>117,772</b>	<b>18,034</b>	<b>3,075,464</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Economic Development - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Interest	\$ 12,861	14,086
Expenditures		
Current		
General Government		
Contractual Services	3,000	1,915
Net Change in Fund Balance	<u>9,861</u>	12,171
Fund Balance - Beginning		<u>1,603,737</u>
Fund Balance - Ending		<u>1,615,908</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Forfeiture and Seizure - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Revenues		
Fines and Forfeitures	\$ 14,850	<u>21,935</u>
Expenditures		
Current		
Public Safety		
Commodities	- 8,543	8,543
Capital Outlay	10,000	20,140
Total Expenditures	<u>10,000</u>	<u>28,683</u>
Net Change in Fund Balance	<u>4,850</u>	(6,748)
Fund Balance - Beginning		<u>64,121</u>
Fund Balance - Ending		<u>57,373</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Motor Fuel Taxes	\$ 497,593	521,077
Grants	100,000	-
Interest	100	459
Total Revenues	<u>597,693</u>	<u>521,536</u>
<b>Expenditures</b>		
Current		
Highways and Streets		
Contractual Services	490,299	529,738
Commodities	<u>250,500</u>	<u>79,736</u>
Total Expenditures	<u>740,799</u>	<u>609,474</u>
Net Change in Fund Balance	<u>(143,106)</u>	<u>(87,938)</u>
Fund Balance - Beginning	<u>362,646</u>	
Fund Balance - Ending		<u>274,708</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Emergency 911 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Revenues		
Charges for Services		
Kane County Wireless 911	\$ -	<u>141,736</u>
Expenditures		
Current		
Public Safety		
Contractual Services	- 16,055	
Capital Outlay	<u>36,000</u>	<u>50,285</u>
Total Expenditures	<u>36,000</u>	<u>66,340</u>
Net Change in Fund Balance	<u>(36,000)</u>	<u>75,396</u>
Fund Balance - Beginning		<u>106,098</u>
Fund Balance - Ending		<u>181,494</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Gift - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	600
Expenditures		
Current		
Public Safety		
Commodities	1,300	1,625
Net Change in Fund Balance	<u>(1,050)</u>	(1,025)
Fund Balance - Beginning		<u>7,150</u>
Fund Balance - Ending		<u>6,125</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Montgomery Crossings Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 53,000	53,003
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>52,687</u>	<u>50,719</u>
Net Change in Fund Balance	<u>313</u>	2,284
Fund Balance - Beginning		<u>132,768</u>
Fund Balance - Ending		<u>135,052</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Blackberry Crossings Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 11,000	10,965
Expenditures		
Current		
Highways and Streets		
Contractual Services	10,666	11,764
Net Change in Fund Balance	<u>334</u>	(799)
Fund Balance - Beginning		<u>63,868</u>
Fund Balance - Ending		<u>63,069</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Ogden Hill Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<b>Original and Final Budget</b>	<b>Actual</b>
Revenues		
Property Taxes	\$ 22,500	22,528
Expenditures		
Current		
Highways and Streets		
Contractual Services	19,429	19,429
Net Change in Fund Balance	<u>3,071</u>	3,099
Fund Balance - Beginning		<u>24,679</u>
Fund Balance - Ending		<u>27,778</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Marquis Pointe Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 13,500	13,526
Expenditures		
Current		
Highways and Streets		
Contractual Services	11,410	11,410
Net Change in Fund Balance	<u>2,090</u>	2,116
Fund Balance - Beginning		<u>21,140</u>
Fund Balance - Ending		<u>23,256</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Balmorea Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 30,000	29,789
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>28,956</u>	<u>28,956</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	1,044	833
Other Financing Sources		
Transfers In	<u>-</u>	<u>11,438</u>
Net Change in Fund Balance	<u><u>1,044</u></u>	<u><u>12,271</u></u>
Fund Balance - Beginning		<u>(12,687)</u>
Fund Balance - Ending		<u><u>(416)</u></u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Arbor Ridge Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 18,358	18,319
Expenditures		
Current		
Highways and Streets		
Contractual Services	14,466	12,719
Net Change in Fund Balance	<u>3,892</u>	5,600
Fund Balance - Beginning		<u>38,810</u>
Fund Balance - Ending		<u>44,410</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Fairfield Way Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 50,000	49,976
Expenditures		
Current		
Highways and Streets		
Contractual Services	38,190	41,592
Net Change in Fund Balance	<u>11,810</u>	8,384
Fund Balance - Beginning		<u>163,504</u>
Fund Balance - Ending		<u>171,888</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Foxmoor Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 42,500	42,468
Expenditures		
Current		
Highways and Streets		
Contractual Services	40,925	<u>57,564</u>
Net Change in Fund Balance	<u>1,575</u>	(15,096)
Fund Balance - Beginning		<u>134,309</u>
Fund Balance - Ending		<u>119,213</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Tax Increment Financing District #1 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 40,000	40,918
Expenditures		
Current		
General Government		
Contractual Services	45,520	4,882
Net Change in Fund Balance	<u>(5,520)</u>	36,036
Fund Balance - Beginning		<u>146,853</u>
Fund Balance - Ending		<u>182,889</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Tax Increment Financing District #2 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 51,000	51,881
Expenditures		
Current		
General Government		
Contractual Services	36,750	<u>43,661</u>
Net Change in Fund Balance	<u>14,250</u>	8,220
Fund Balance - Beginning		<u>(37,894)</u>
Fund Balance - Ending		<u>(29,674)</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Saratoga Springs Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 12,000	12,000
Expenditures		
Current		
Highways and Streets		
Contractual Services	12,830	12,734
Net Change in Fund Balance	<u>(830)</u>	<u>(734)</u>
Fund Balance - Beginning		<u>38,314</u>
Fund Balance - Ending		<u>37,580</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Orchard Prairie North Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 25,000	25,000
Expenditures		
Current		
Highways and Streets		
Contractual Services	21,838	22,838
Net Change in Fund Balance	<u>3,162</u>	2,162
Fund Balance - Beginning		<u>26,843</u>
Fund Balance - Ending		<u>29,005</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Blackberry Crossing West Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 63,000	62,979
Expenditures		
Current		
Highways and Streets		
Contractual Services	52,413	44,927
Net Change in Fund Balance	<u>10,587</u>	18,052
Fund Balance - Beginning		<u>99,720</u>
Fund Balance - Ending		<u>117,772</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Fieldstone Special Service Area - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 6,500	6,500
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>5,445</u>	<u>5,406</u>
Net Change in Fund Balance	<u>1,055</u>	1,094
Fund Balance - Beginning		<u>16,940</u>
Fund Balance - Ending		<u>18,034</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2016**

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	<b>Vehicle Reserve</b>	<b>Lakewood Creek Project</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Investments	<u>\$ 735,263</u>	<u>8,075</u>	<u>743,338</u>
<b>FUND BALANCES</b>			
Restricted	-	8,075	8,075
Assigned	<u>735,263</u>	-	<u>735,263</u>
Total Funds Balances	<u>735,263</u>	<u>8,075</u>	<u>743,338</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Vehicle Reserve	Lakewood Creek Project	Totals
<b>Revenues</b>			
Charges for Services	\$ 687,303	-	687,303
Interest	-	2	2
Miscellaneous	-	23,562	23,562
<b>Total Revenues</b>	<b>687,303</b>	<b>23,564</b>	<b>710,867</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	-	58,308	58,308
<b>Capital Outlay</b>	<b>441,893</b>	-	<b>441,893</b>
<b>Debt Service</b>			
Principal	103,071	-	103,071
Interest and Fiscal Charges	4,896	-	4,896
<b>Total Expenditures</b>	<b>549,860</b>	<b>58,308</b>	<b>608,168</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>137,443</b>	<b>(34,744)</b>	<b>102,699</b>
<b>Other Financing Sources</b>			
<b>Disposal of Capital Assets</b>	<b>68,250</b>	-	<b>68,250</b>
<b>Net Change in Fund Balances</b>	<b>205,693</b>	<b>(34,744)</b>	<b>170,949</b>
<b>Fund Balances - Beginning</b>	<b>529,570</b>	<b>42,819</b>	<b>572,389</b>
<b>Fund Balances - Ending</b>	<b>735,263</b>	<b>8,075</b>	<b>743,338</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Vehicle Reserve - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Charges for Services	\$ 687,302	687,303
Interest	500	-
Miscellaneous	10,000	-
<b>Total Revenues</b>	<b>697,802</b>	<b>687,303</b>
<b>Expenditures</b>		
Capital Outlay	606,211	441,893
Debt Service		
Principal	103,071	103,071
Interest and Fiscal Charges	4,896	4,896
<b>Total Expenditures</b>	<b>714,178</b>	<b>549,860</b>
<b>Excess (Deficiency) of Revenues</b>		
Over Expenditures	(16,376)	137,443
<b>Other Financing Sources</b>		
Disposal of Capital Assets	-	68,250
<b>Net Change in Fund Balance</b>	<b>(16,376)</b>	<b>205,693</b>
<b>Fund Balance - Beginning</b>		<b>529,570</b>
<b>Fund Balance - Ending</b>		<b>735,263</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Lakewood Creek Project - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Revenues</b>		
Interest	\$ 3	2
Miscellaneous	60,000	23,562
<b>Total Revenues</b>	<hr/> 60,003	<hr/> 23,564
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	60,000	58,308
<b>Net Change in Fund Balance</b>	<hr/> <hr/> 3	<hr/> <hr/> (34,744)
<b>Fund Balance - Beginning</b>	<hr/> <hr/> <hr/> 42,819	
<b>Fund Balance - Ending</b>	<hr/> <hr/> <hr/> 8,075	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Statement of Net Position**

**April 30, 2016**

	Water Account	Water Improvement Account	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 2,633,199	-	2,633,199
Receivables - Net of Allowances			
Accounts	830,144	2,968	833,112
Accrued Interest	4,803	-	4,803
Due from Other Funds	210,851	-	210,851
<b>Total Current Assets</b>	<b>3,678,997</b>	<b>2,968</b>	<b>3,681,965</b>
Noncurrent Assets			
Nondepreciable Capital Assets	279,240	-	279,240
Depreciable Capital Assets	49,369,605	-	49,369,605
Accumulated Depreciation	(16,875,237)	-	(16,875,237)
<b>Total Noncurrent Assets</b>	<b>32,773,608</b>	<b>-</b>	<b>32,773,608</b>
<b>Total Assets</b>	<b>36,452,605</b>	<b>2,968</b>	<b>36,455,573</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	53,091	-	53,091
<b>Total Assets and Deferred Outflows of Resources</b>	<b>36,505,696</b>	<b>2,968</b>	<b>36,508,664</b>

	Water Account	Water Improvement Account	Totals
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 104,198	41,392	145,590
Accrued Payroll	25,066	-	25,066
Accrued Interest Payable	111,569	-	111,569
Retainage Payable	1,563	-	1,563
Other Payables	36,000	-	36,000
Current Portion of Long-Term Debt	840,867	-	840,867
<b>Total Current Liabilities</b>	<b>1,119,263</b>	<b>41,392</b>	<b>1,160,655</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	56,577	-	56,577
Net Pension Liability - IMRF	224,677	-	224,677
General Obligation Bonds Payable - Net	5,080,147	-	5,080,147
IEPA Loans Payable	6,159,857	-	6,159,857
<b>Total Noncurrent Liabilities</b>	<b>11,521,258</b>	<b>-</b>	<b>11,521,258</b>
<b>Total Liabilities</b>	<b>12,640,521</b>	<b>41,392</b>	<b>12,681,913</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,879,292	-	20,879,292
Unrestricted (Deficit)	2,985,883	(38,424)	2,947,459
<b>Total Net Position</b>	<b>23,865,175</b>	<b>(38,424)</b>	<b>23,826,751</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 4,565,238	-	4,565,238
Operating Expenses			
Operations	3,014,249	307,778	3,322,027
Depreciation and Amortization	1,846,865	-	1,846,865
Total Operating Expenses	4,861,114	307,778	5,168,892
Operating Income (Loss)	(295,876)	(307,778)	(603,654)
Nonoperating Revenues (Expenses)			
Investment Income	19,148	-	19,148
Reimbursements	-	57,181	57,181
Other Income	13,877	-	13,877
Interest Expense	(338,126)	-	(338,126)
	(305,101)	57,181	(247,920)
Income (Loss) Before Transfers	(600,977)	(250,597)	(851,574)
Transfers In	-	155,848	155,848
Transfers Out	(155,848)	-	(155,848)
Change in Net Position	(756,825)	(94,749)	(851,574)
Net Position - Beginning as Restated	24,622,000	56,325	24,678,325
Net Position - Ending	23,865,175	(38,424)	23,826,751

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended April 30, 2016**

	Water Account	Water Improvement Account	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 4,410,460	295,000	4,705,460
Payments to Employees	(524,351)	-	(524,351)
Payments to Suppliers	(2,222,258)	(611,068)	(2,833,326)
	<u>1,663,851</u>	<u>(316,068)</u>	<u>1,347,783</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers In	-	155,848	155,848
Transfers Out	(155,848)	-	(155,848)
	<u>(155,848)</u>	<u>155,848</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(950,654)	-	(950,654)
Debt Issuance	90,299	-	90,299
Principal Paid on Debt	(760,453)	-	(760,453)
Interest Paid on Debt	(338,126)	-	(338,126)
	<u>(1,958,934)</u>	<u>-</u>	<u>(1,958,934)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	<u>19,148</u>	<u>-</u>	<u>19,148</u>
Net Change in Cash and Cash Equivalents	(431,783)	(160,220)	(592,003)
Cash and Cash Equivalents - Beginning	<u>3,064,982</u>	<u>160,220</u>	<u>3,225,202</u>
Cash and Cash Equivalents - Ending	<u>2,633,199</u>	<u>-</u>	<u>2,633,199</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.</b>			
Operating Income (Loss)	(295,876)	(307,778)	(603,654)
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and Amortization Expense	1,846,865	-	1,846,865
Other Income	13,877	57,181	71,058
(Increase) Decrease in Current Assets	(168,655)	237,819	69,164
Increase (Decrease) in Current Liabilities	<u>267,640</u>	<u>(303,290)</u>	<u>(35,650)</u>
Net Cash Provided by Operating Activities	<u>1,663,851</u>	<u>(316,068)</u>	<u>1,347,783</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water Account - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Operating Revenues</b>		
Charges for Services		
Water Sales	\$ 3,609,273	3,456,010
Late Charges	112,827	126,317
Water Service Charges	290,400	292,986
Delinquent Fees	50,000	58,611
Sewer Maintenance Charges	93,780	94,001
BH Infrastructure Fee	508,860	509,754
Fox Metro Reading Fee	27,555	27,559
Total Operating Revenues	<u>4,692,695</u>	<u>4,565,238</u>
<b>Operating Expenses</b>		
Operations		
Water Administration	1,045,057	191,186
Water Plant Operations	2,748,503	2,823,063
Depreciation and Amortization	-	1,846,865
Total Operating Expenses	<u>3,793,560</u>	<u>4,861,114</u>
<b>Operating Income (Loss)</b>	<u>899,135</u>	<u>(295,876)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Income	10,000	19,148
Other Income	-	13,877
Interest Expense	<u>(384,226)</u>	<u>(338,126)</u>
	<u>(374,226)</u>	<u>(305,101)</u>
<b>Income (Loss) Before Transfers</b>	<u>524,909</u>	<u>(600,977)</u>
<b>Transfers Out</b>	<u>(1,716,346)</u>	<u>(155,848)</u>
<b>Change in Net Position</b>	<u><u>(1,191,437)</u></u>	<u><u>(756,825)</u></u>
<b>Net Position - Beginning as Restated</b>	<u><u>24,622,000</u></u>	
<b>Net Position - Ending</b>	<u><u>23,865,175</u></u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water Account - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 160,587	126,101
Contractual Services	80,906	61,239
Commodities	8,000	3,846
Debt Service		
Principal Payment	795,564	-
Interest Payment and Fiscal Agent Fees	384,226	338,126
	<hr/> 1,429,283	<hr/> 529,312
Less Nonoperating Items		
Debt Service	<hr/> (384,226)	<hr/> (338,126)
Total Water Administration	<hr/> 1,045,057	<hr/> 191,186
Water Plant Operations		
Personal Services	601,465	620,585
Contractual Services	1,924,438	1,977,541
Commodities	222,000	223,820
Capital Outlay	600	1,117
Total Water Plant Operations	<hr/> 2,748,503	<hr/> 2,823,063
Depreciation and Amortization		
	<hr/> -	<hr/> 1,846,865
Total Operating Expenses	<hr/> 3,793,560	<hr/> 4,861,114

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water Improvement Account - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	-
Operating Expenses		
Operations	<u>1,820,370</u>	<u>307,778</u>
Operating Income (Loss)	(1,820,370)	(307,778)
Nonoperating Revenues		
Connection Fees and Reimbursements	<u>57,000</u>	<u>57,181</u>
Income (Loss) Before Transfers	(1,763,370)	(250,597)
Transfers In	<u>1,716,346</u>	<u>155,848</u>
Change in Net Position	<u>(47,024)</u>	<u>(94,749)</u>
Net Position - Beginning	<u>56,325</u>	
Net Position - Ending	<u>(38,424)</u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Refuse - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,296,817	1,299,130
Operating Expenses		
Operations		
Solid Waste Disposal	<u>1,296,817</u>	<u>1,293,243</u>
Operating Income	-	5,887
Nonoperating Revenues		
Investment Earnings	<u>250</u>	<u>-</u>
Change in Net Position	<u>250</u>	5,887
Net Position - Beginning		<u>4,483</u>
Net Position - Ending		<u>10,370</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Employee Insurance - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	<b>Original and Final Budget</b>	<b>Actual</b>
Operating Revenues		
Interfund Services	\$ 1,088,865	789,243
Operating Expenses		
Operations		
Insurance	<u>1,088,865</u>	<u>767,031</u>
Change in Net Position	<u>        -</u>	22,212
Net Position - Beginning		<u>230,147</u>
Net Position - Ending		<u>252,359</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Pension - Pension Trust Fund**

**Schedule of Changes in Fiduciary Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Original and Final Budget	Actual
<b>Additions</b>		
Contributions - Employer	\$ 453,447	452,282
Contributions - Plan Members	195,494	216,533
Total Contributions	<u>648,941</u>	<u>668,815</u>
 Investment Income		
Investment Earnings	601,300	335,821
Net Change in Fair Value	-	(343,336)
	<u>601,300</u>	<u>(7,515)</u>
Less Investment Expenses	(17,180)	(18,113)
Net Investment Income	<u>584,120</u>	<u>(25,628)</u>
 Total Additions	<u>1,233,061</u>	<u>643,187</u>
 Deductions		
Administration	19,275	18,226
Benefits and Refunds	387,515	481,164
	<u>406,790</u>	<u>499,390</u>
 Change in Fiduciary Net Position	<u>826,271</u>	<u>143,797</u>
 Net Position Restricted for Pensions		
Beginning	<u>8,206,596</u>	
Ending	<u>8,350,393</u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2016**

	<u>Beginning Balances</u>		<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
<b>ALL FUNDS</b>					
<b>ASSETS</b>					
Cash and Investments	\$ 3,193,064		1,782,492	1,714,051	3,261,505
Accounts Receivable	47,348		-	47,348	-
<b>Total Assets</b>	<b>3,240,412</b>		<b>1,782,492</b>	<b>1,761,399</b>	<b>3,261,505</b>
<b>LIABILITIES</b>					
Deposits Payable	630,514		630,514	525,926	525,926
Due to Other Funds	42,948		42,948	-	-
Due to Others	19,942		3,374	-	16,568
Due to Bondholders	2,547,008		1,084,563	1,256,566	2,719,011
<b>Total Liabilities</b>	<b>3,240,412</b>		<b>1,761,399</b>	<b>1,782,492</b>	<b>3,261,505</b>
<b>TALMA STREET SPECIAL SERVICE AREA</b>					
<b>ASSETS</b>					
Cash and Investments	19,445		-	-	19,445
<b>LIABILITIES</b>					
Due to Others	19,445		-	-	19,445

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Investments				
	<u>612,514</u>	<u>473,226</u>	<u>612,514</u>	<u>473,226</u>
<b>LIABILITIES</b>				
Deposits Payable				
	<u>612,514</u>	<u>612,514</u>	<u>473,226</u>	<u>473,226</u>
<b>FLEXIBLE BENEFITS</b>				
<b>ASSETS</b>				
Cash and Investments				
	<u>485</u>	<u>-</u>	<u>3,374</u>	<u>(2,889)</u>
<b>LIABILITIES</b>				
Due to Others				
	<u>485</u>	<u>3,374</u>	<u>-</u>	<u>(2,889)</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Agency Funds

#### Combining Statement of Changes in Assets and Liabilities - Continued For the Fiscal Year Ended April 30, 2016

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>LAKEWOOD CREEK SPECIAL ASSESSMENT</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,542,608	1,120,250	947,781	2,715,077

#### LIABILITIES

Due to Bondholders	2,542,608	947,781	1,120,250	2,715,077
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#### BLACKBERRY CROSSING WEST SPECIAL SERVICE AREA

#### ASSETS

Cash and Investments	12	-	-	12
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#### LIABILITIES

Due to Others	12	-	-	12
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	Beginning Balances	Additions	Deductions	Ending Balances
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### **CORNELL SPECIAL SERVICE AREA**

#### **ASSETS**

Cash and Investments	-	136,316	132,382	3,934
Accounts Receivable	47,348		47,348	-
Total Assets	<u>47,348</u>	<u>136,316</u>	<u>179,730</u>	<u>3,934</u>

#### **LIABILITIES**

Due to Other Funds	42,948	42,948	-	-
Due to Bondholders	4,400	136,782	136,316	3,934
Total Liabilities	<u>47,348</u>	<u>179,730</u>	<u>136,316</u>	<u>3,934</u>

### **TEMPORARY CO**

#### **ASSETS**

Cash and Investments	<u>18,000</u>	<u>52,700</u>	<u>18,000</u>	<u>52,700</u>
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#### **LIABILITIES**

Deposits Payable	<u>18,000</u>	<u>18,000</u>	<u>52,700</u>	<u>52,700</u>
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## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Refunding Bonds of 2007

April 30, 2016

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Date of Issue	December 3, 2007
Date of Maturity	December 1, 2018
Authorized Issue	\$3,020,000
Denomination of Bonds	\$5,000
Interest Rate	3.95%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 335,000	41,476	376,476
2018	350,000	28,242	378,242
2019	365,000	14,418	379,418
	<u>1,050,000</u>	<u>84,136</u>	<u>1,134,136</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Bonds of 2008A

April 30, 2016

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Date of Issue	August 1, 2008
Date of Maturity	December 1, 2019
Authorized Issue	\$2,000,000
Denomination of Bonds	\$5,000
Interest Rate	5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ -	100,000	100,000
2018	-	100,000	100,000
2019	1,000,000	100,000	1,100,000
2020	1,000,000	50,000	1,050,000
	<hr/> <hr/> 2,000,000	<hr/> <hr/> 350,000	<hr/> <hr/> 2,350,000

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Refunding Bonds of 2010

April 30, 2016

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Date of Issue	June 1, 2010
Date of Maturity	December 1, 2017
Authorized Issue	\$7,375,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 550,000	42,075	592,075
2018	605,000	24,200	629,200
	<u>1,155,000</u>	<u>66,275</u>	<u>1,221,275</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Refunding Bonds of 2011

April 30, 2016

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Date of Issue	December 15, 2011
Date of Maturity	December 1, 2024
Authorized Issue	\$4,410,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 205,000	84,950	289,950
2018	205,000	80,850	285,850
2019	375,000	76,750	451,750
2020	385,000	68,312	453,312
2021	395,000	59,168	454,168
2022	405,000	49,294	454,294
2023	420,000	38,663	458,663
2024	435,000	27,113	462,113
2025	450,000	14,063	464,063
	<hr/> <u>3,275,000</u>	<hr/> <u>499,163</u>	<hr/> <u>3,774,163</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Bonds of 2013

April 30, 2016

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Date of Issue	June 11, 2013
Date of Maturity	December 1, 2038
Authorized Issue	\$4,590,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

#### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 125,000	162,550	287,550
2018	130,000	158,800	288,800
2019	135,000	154,900	289,900
2020	140,000	150,850	290,850
2021	145,000	146,650	291,650
2022	145,000	142,300	287,300
2023	150,000	137,950	287,950
2024	155,000	133,450	288,450
2025	160,000	128,800	288,800
2026	165,000	122,400	287,400
2027	175,000	115,800	290,800
2028	180,000	108,800	288,800
2029	190,000	101,600	291,600
2030	195,000	94,000	289,000
2031	205,000	86,200	291,200
2032	210,000	78,000	288,000
2033	220,000	69,600	289,600
2034	230,000	60,800	290,800
2035	240,000	51,600	291,600
2036	245,000	42,000	287,000
2037	255,000	32,200	287,200
2038	270,000	22,000	292,000
2039	280,000	11,200	291,200
	4,345,000	2,312,450	6,657,450

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014

April 30, 2016

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Date of Issue	April 29, 2014
Date of Maturity	December 1, 2024
Authorized Issue	\$3,335,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ -	106,340	106,340
2018	-	106,340	106,340
2019	-	106,340	106,340
2020	-	106,340	106,340
2021	630,000	106,340	736,340
2022	645,000	87,440	732,440
2023	665,000	68,090	733,090
2024	685,000	48,140	733,140
2025	710,000	24,850	734,850
	<u>3,335,000</u>	<u>760,220</u>	<u>4,095,220</u>

## **VILLAGE OF MONTGOMERY, ILLINOIS**

## Long-Term Debt Requirements

## **IEPA Loan Payable of 2002**

**April 30, 2016**

Date of Issue	February 23, 2002
Date of Maturity	December 1, 2022
Authorized Issue	\$1,128,780
Denomination of Bonds	Various
Interest Rate	2.675%
Interest Dates	June 1 and December 1
Principal Maturity Dates	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

## **CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2017	\$ 62,511	12,279	74,790
2018	64,194	10,596	74,790
2019	65,922	8,867	74,789
2020	67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,317	1,474	74,791
	<b>474,556</b>	<b>48,974</b>	<b>523,530</b>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2011

April 30, 2016

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Date of Issue	October 20, 2011
Date of Maturity	April 19, 2032
Authorized Issue	\$4,310,177
Denomination of Bonds	Various
Interest Rate	1.25%
Interest Dates	April 19 and October 19
Principal Maturity Dates	April 19 and October 19
Payable at	Illinois Environmental Protection Agency

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 206,173	44,707	250,880
2018	208,758	42,122	250,880
2019	211,376	39,504	250,880
2020	214,027	36,853	250,880
2021	216,711	34,169	250,880
2022	219,428	31,452	250,880
2023	222,178	28,702	250,880
2024	224,965	25,915	250,880
2025	227,786	23,094	250,880
2026	230,642	20,238	250,880
2027	233,534	17,346	250,880
2028	236,462	14,418	250,880
2029	239,427	11,453	250,880
2030	242,429	8,451	250,880
2031	245,469	5,411	250,880
2032	248,547	2,333	250,880
	<hr/> <u>3,627,912</u>	<hr/> <u>386,168</u>	<hr/> <u>4,014,080</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2014

April 30, 2016

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Date of Issue	June 1, 2014
Date of Maturity	December 7, 2034
Authorized Issue	\$2,392,635
Denomination of Bonds	Various
Interest Rate	1.995%
Interest Dates	May 1 and November 1
Principal Maturity Dates	May 1 and November 1
Payable at	Illinois Environmental Protection Agency

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2017	\$ 105,897	45,271	151,168
2018	108,585	43,258	151,843
2019	110,762	41,205	151,967
2020	112,983	39,111	152,094
2021	115,248	36,974	152,222
2022	117,559	34,795	152,354
2023	119,915	32,572	152,487
2024	122,319	30,304	152,623
2025	124,773	27,991	152,764
2026	127,274	25,632	152,906
2027	129,826	23,225	153,051
2028	132,429	20,770	153,199
2029	135,084	18,266	153,350
2030	137,792	15,712	153,504
2031	140,555	13,106	153,661
2032	143,373	10,448	153,821
2033	146,248	7,737	153,985
2034	149,180	4,972	154,152
2035	152,168	2,151	154,319
	<hr/>	<hr/>	<hr/>
	2,431,970	473,500	2,905,470

## **STATISTICAL SECTION (Unaudited)**

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years**

**April 30, 2016 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Net Investment in										
Capital Assets	\$ 4,388,301	30,251,886	36,431,647	41,540,031	45,586,500	47,292,952	51,636,819	50,229,557	48,714,620	46,661,769
Restricted	2,490,523	2,369,032	2,580,672	3,055,679	3,226,346	3,313,822	3,379,946	3,332,376	3,094,319	3,113,629
Unrestricted	9,176,185	709,828	(499,811)	433,352	2,190,183	2,419,305	2,487,065	3,083,037	3,583,910	249,053
<b>Total Governmental Activities Net Position</b>	<b>16,055,009</b>	<b>33,330,746</b>	<b>38,512,508</b>	<b>45,029,062</b>	<b>51,003,029</b>	<b>53,026,079</b>	<b>57,503,830</b>	<b>56,644,970</b>	<b>55,392,849</b>	<b>50,024,451</b>
<b>Business-Type Activities</b>										
Net Investment in										
Capital Assets	16,233,234	23,331,066	24,102,567	25,878,294	26,651,346	27,255,898	28,096,145	26,974,755	25,650,151	20,879,292
Unrestricted	464,271	691,648	637,045	1,244,447	1,865,399	1,842,862	2,183,680	2,224,460	2,596,797	2,957,829
<b>Total Business-Type Activities Net Position</b>	<b>16,697,505</b>	<b>24,022,714</b>	<b>24,739,612</b>	<b>27,122,741</b>	<b>28,516,745</b>	<b>29,098,760</b>	<b>30,279,825</b>	<b>29,199,215</b>	<b>28,246,948</b>	<b>23,837,121</b>
<b>Total Net Position</b>										
Net Investment in										
Capital Assets	20,621,535	53,582,952	60,534,214	67,418,325	72,237,846	74,548,850	79,732,964	77,204,312	74,364,771	67,541,061
Restricted	2,490,523	2,369,032	2,580,672	3,055,679	3,226,346	3,313,822	3,379,946	3,332,376	3,094,319	3,113,629
Unrestricted	9,640,456	1,401,476	137,234	1,677,799	4,055,582	4,262,167	4,670,745	5,307,497	6,180,707	3,206,882
<b>Total Primary Government Net Position</b>	<b>32,752,514</b>	<b>57,353,460</b>	<b>63,252,120</b>	<b>72,151,803</b>	<b>79,519,774</b>	<b>82,124,839</b>	<b>87,783,655</b>	<b>85,844,185</b>	<b>83,639,797</b>	<b>73,861,572</b>

Data Source: Audited Financial Statements

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years**

**April 30, 2016 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 3,555,496	4,197,064	3,417,096	3,540,980	3,077,769	3,283,476	3,089,899	3,215,504	3,543,827	4,000,986
Public Safety	3,744,231	4,024,681	3,943,129	4,144,033	4,127,345	4,581,789	5,048,569	5,001,049	4,948,830	5,805,768
Highways and Streets	2,059,540	2,731,761	2,694,913	2,724,614	3,610,159	3,175,332	3,818,065	4,608,540	4,376,423	5,085,800
Sanitation *	790,523	839,223	889,190	997,054	1,030,129	1,062,656	1,159,173	1,265,497	64,954	-
Interest	604,331	587,246	633,176	639,111	537,769	502,037	496,752	466,594	358,069	344,003
<b>Total Governmental Activities Expenses</b>	<b>10,754,121</b>	<b>12,379,975</b>	<b>11,577,504</b>	<b>12,045,792</b>	<b>12,383,171</b>	<b>12,605,290</b>	<b>13,612,458</b>	<b>14,557,184</b>	<b>13,292,103</b>	<b>15,236,557</b>
<b>Business-Type Activities</b>										
Waterworks	3,701,562	4,108,643	3,807,890	3,813,368	4,108,643	5,134,321	5,097,758	5,235,850	5,528,881	5,507,018
Refuse *	-	-	-	-	-	-	-	-	1,235,387	1,293,243
<b>Total Business-Type Activities Net Position</b>	<b>3,701,562</b>	<b>4,108,643</b>	<b>3,807,890</b>	<b>3,813,368</b>	<b>4,108,643</b>	<b>5,134,321</b>	<b>5,097,758</b>	<b>5,235,850</b>	<b>6,764,268</b>	<b>6,800,261</b>
<b>Total Primary Government Expenses</b>	<b>14,455,683</b>	<b>16,488,618</b>	<b>15,385,394</b>	<b>15,859,160</b>	<b>16,491,814</b>	<b>17,739,611</b>	<b>18,710,216</b>	<b>19,793,034</b>	<b>20,056,371</b>	<b>22,036,818</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General Government	2,890,579	1,784,591	887,648	791,624	1,343,545	520,260	479,102	749,477	560,053	747,280
Public Safety	376,138	297,352	548,645	634,341	764,147	837,875	737,683	478,482	314,769	509,588
Highways and Streets	563,135	319,583	59,138	75,614	168,046	74,715	281,136	607,452	648,251	713,056
Sanitation	720,168	818,426	872,656	975,454	1,004,889	1,050,053	1,133,823	1,190,325	7,852	-
Operating Grants/Contributions	419,065	550,422	488,826	476,945	1,413,932	620,940	601,387	605,838	673,299	1,319,509
Capital Grants/Contributions	50,000	18,243,217	5,656,409	7,463,786	5,640,911	3,154,115	5,634,735	195,711	6,783	-
<b>Total Governmental Activities</b>										
Program Revenue	5,019,085	22,013,591	8,513,322	10,417,764	10,335,470	6,257,958	8,867,866	3,827,285	2,211,007	3,289,433
<b>Business-Type Activities</b>										
Charges for Services	3,510,934	3,834,338	2,815,318	3,234,104	3,532,425	3,614,159	4,008,166	4,114,506	5,689,543	5,864,368
Capital Grants/Contributions	60,356	7,082,159	1,623,918	2,881,397	1,919,667	2,025,506	2,268,670	39,361	117,713	-
<b>Total Business-Type Activities</b>										
Program Revenue	3,571,290	10,916,497	4,439,236	6,115,501	5,452,092	5,639,665	6,276,836	4,153,867	5,807,256	5,864,368
<b>Total Primary Government</b>										
Program Revenue	8,590,375	32,930,088	12,952,558	16,533,265	15,787,562	11,897,623	15,144,702	7,981,152	8,018,263	9,153,801

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense) Revenue										
Governmental Activities	\$ (5,735,036)	9,633,616	(3,064,182)	(1,628,028)	(2,047,701)	(6,347,332)	(4,744,592)	(10,729,899)	(11,081,096)	(11,947,124)
Business-Type Activities	(130,272)	6,807,854	631,346	2,302,133	1,343,449	505,344	1,179,078	(1,081,983)	(957,012)	(935,893)
Total Net Revenue (Expense)	(5,865,308)	16,441,470	(2,432,836)	674,105	(704,252)	(5,841,988)	(3,565,514)	(11,811,882)	(12,038,108)	(12,883,017)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	1,521,208	1,728,472	2,107,824	2,538,391	2,131,202	2,258,978	2,570,184	2,607,364	2,650,814	2,681,695
Utility Taxes	1,281,322	1,492,570	1,501,852	1,365,252	1,429,762	2,684,106	1,301,361	1,391,352	1,324,307	1,256,073
Video Gaming Taxes	-	-	-	-	-	-	-	17,477	48,392	60,261
Intergovernmental - Unrestricted										
Sales Taxes	1,799,426	2,308,243	2,539,423	2,434,337	2,590,760	1,489,230	2,690,164	2,851,053	3,169,321	5,967,427
Income Taxes	1,095,594	1,326,500	1,454,677	1,355,129	1,330,267	264,029	1,661,642	1,796,712	1,805,718	1,964,982
Replacement Taxes	61,644	69,384	63,422	55,407	66,756	57,776	56,957	76,855	66,610	56,272
Local Use Taxes	182,247	197,453	238,046	206,509	250,488	1,350,780	303,898	316,541	370,691	436,512
Franchise Fees	115,694	136,554	141,767	158,204	178,225	186,217	229,121	218,343	237,577	-
Donations	-	-	-	-	-	-	-	-	-	-
Investment Income	631,184	372,126	55,770	22,633	61,751	66,329	42,991	16,143	25,919	44,614
Miscellaneous	-	57,346	38,165	23,636	11,030	12,937	366,025	269,258	129,626	288,798
Total Governmental Activities	6,688,319	7,688,648	8,140,946	8,159,498	8,050,241	8,370,382	9,222,343	9,561,098	9,828,975	12,756,634
Business-Type Activities										
Investment Income	43,868	1,373	29,946	6,130	2,797	891	1,987	1,373	4,745	19,148
Miscellaneous	32,129	-	55,606	74,866	47,758	75,780	-	-	-	71,058
Total Business-Type Activities	75,997	1,373	85,552	80,996	50,555	76,671	1,987	1,373	4,745	90,206
Total Primary Government	6,764,316	7,690,021	8,226,498	8,240,494	8,100,796	8,447,053	9,224,330	9,562,471	9,833,720	12,846,840
Changes in Net Position										
Governmental Activities	953,283	17,322,264	5,076,764	6,531,470	6,002,540	2,023,050	4,477,751	(1,168,801)	(1,252,121)	809,510
Business-Type Activities	(54,275)	6,809,227	716,898	2,383,129	1,394,004	582,015	1,181,065	(1,080,610)	(952,267)	(845,687)
Total Primary Government	899,008	24,131,491	5,793,662	8,914,599	7,396,544	2,605,065	5,658,816	(2,249,411)	(2,204,388)	(36,177)

Data Source: Audited Financial Statements

\*- The Refuse Fund (Sanitation) changed from a department in the General Fund to an Enterprise Fund during the year ended April 30, 2015.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years**  
**April 30, 2016 (Unaudited)**

	2007	2008	2009
<b>General Fund</b>			
Reserved	\$ -	-	701,124
Unreserved	1,768,713	1,442,677	769,038
Nonspendable	-	-	-
Unassigned	-	-	-
<b>Total General Fund</b>	<b>1,768,713</b>	<b>1,442,677</b>	<b>1,470,162</b>
<b>All Other Governmental Funds</b>			
Reserved	2,490,523	2,369,032	2,580,672
Unreserved, Reported in:			
Special Revenues Funds	-	(92,759)	(24,412)
Capital Projects Funds	7,951,924	(46,374)	(1,238,112)
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total All Other Governmental Funds</b>	<b>12,211,160</b>	<b>3,672,576</b>	<b>2,788,310</b>
<b>Total Governmental Funds</b>	<b>13,979,873</b>	<b>5,115,253</b>	<b>4,258,472</b>

Data Source: Audited Financial Statements

Note: The Village implemented GASB No. 54 at April 30, 2011.

	2010	2011	2012	2013	2014	2015	2016
691,533	-	-	-	-	-	-	-
1,338,650	-	-	-	-	-	-	-
-	691,533	691,533	691,533	754,783	686,895	617,742	
-	2,124,288	2,484,493	2,860,573	2,799,352	2,972,861	3,394,156	
<b>2,030,183</b>	<b>2,815,821</b>	<b>3,176,026</b>	<b>3,552,106</b>	<b>3,554,135</b>	<b>3,659,756</b>	<b>4,011,898</b>	
3,055,679	-	-	-	-	-	-	-
(6,226)	-	-	-	-	-	-	-
(744,263)	-	-	-	-	-	-	-
-	3,226,346	3,226,351	3,379,946	3,332,376	3,094,319	3,169,718	
-	165,254	165,255	56,089	388,966	585,659	2,221,199	
-	(59,236)	(59,234)	(565,377)	(360,486)	(129,852)	(30,090)	
<b>4,335,373</b>	<b>6,148,185</b>	<b>6,508,398</b>	<b>6,422,764</b>	<b>6,914,991</b>	<b>7,209,882</b>	<b>5,360,827</b>	
<b>6,365,556</b>	<b>8,964,006</b>	<b>9,684,424</b>	<b>9,974,870</b>	<b>10,469,126</b>	<b>10,869,638</b>	<b>9,372,725</b>	

## VILLAGE OF MONTGOMERY, ILLINOIS

### Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2016 (Unaudited)

	2007	2008	2009	2010
<b>Revenues</b>				
Property Taxes	\$ 1,521,208	1,728,472	2,107,824	2,538,391
Other Taxes	4,816,958	5,818,015	6,240,493	5,871,837
State Shared Income Taxes	-	-	-	-
Licenses and Permits	646,609	453,255	347,605	348,071
Charges for Services	3,478,950	2,584,045	3,406,271	2,318,607
Intergovernmental	133,084	105,561	123,206	199,193
Fines and Forfeits	203,147	157,644	239,539	327,227
Investment Income	630,181	372,126	55,770	22,633
Developer Contributions	-	362,323	-	148,541
Contributions from Property Owners	-	-	17,500	423
Miscellaneous	277,267	213,042	170,688	219,131
<b>Total Revenues</b>	<b>11,707,404</b>	<b>11,794,483</b>	<b>12,708,896</b>	<b>11,994,054</b>
<b>Expenditures</b>				
General Government	3,135,761	3,974,221	3,185,821	2,744,480
Public Safety	3,428,954	3,495,453	3,389,865	3,532,943
Highways and Streets	1,789,485	2,237,906	1,640,752	1,403,559
Sanitation **	775,807	839,223	889,190	997,054
Capital Outlay	2,339,488	8,614,925	5,540,861	485,739
Debt Service				
Principal	490,000	530,000	580,000	610,000
Interest and Fiscal Charges	611,130	594,812	609,961	658,300
<b>Total Expenditures</b>	<b>12,570,625</b>	<b>20,286,540</b>	<b>15,836,450</b>	<b>10,432,075</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(863,221)</b>	<b>(8,492,057)</b>	<b>(3,127,554)</b>	<b>1,561,979</b>
<b>Other Financing Sources (Uses)</b>				
Transfer In	1,202,430	1,126,120	1,218,711	1,595,763
Transfer (Out)	(1,202,430)	(1,126,120)	(1,218,711)	(1,595,763)
Capital Lease Issuance	-	-	-	-
Bonds Issued	-	-	2,000,000	-
Premium on Bonds Issued	-	-	138,290	-
Payment to Escrow	-	-	-	-
Disposal of Capital Assets	-	-	-	-
	-	-	2,138,290	-
<b>Net Change in Fund Balances</b>	<b>(863,221)</b>	<b>(8,492,057)</b>	<b>(989,264)</b>	<b>1,561,979</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>10.40%</b>	<b>9.81%</b>	<b>11.18%</b>	<b>12.45%</b>

Data Source: Audited Financial Statements

\* Shared income taxes were reclassified to a non-tax revenue in fiscal year 2013.

\*\* The Sanitation (Refuse) function changed from a department in the General Fund to an Enterprise Fund during the year ended April 30, 2015.

2011	2012	2013*	2014	2015	2016
2,131,202	2,258,978	2,570,184	2,607,364	2,650,814	2,681,695
6,198,356	6,342,355	4,838,011	5,231,904	5,628,806	1,316,334
-	-	1,661,642	1,796,712	1,805,718	8,425,193
337,455	337,287	331,004	401,960	394,959	447,653
2,658,910	1,771,386	1,890,891	2,293,343	944,616	1,158,907
908,238	147,133	127,585	214,355	24,742	1,319,509
333,126	416,324	435,958	301,446	308,703	341,152
61,751	66,329	42,991	16,143	25,919	44,614
-	-	-	-	-	-
1,208	-	-	-	-	-
145,315	147,006	316,079	738,124	249,051	288,798
<b>12,775,561</b>	<b>11,486,798</b>	<b>12,214,345</b>	<b>13,601,351</b>	<b>12,033,328</b>	<b>16,023,855</b>
2,665,677	2,939,574	2,475,369	2,674,004	2,908,916	3,099,920
3,449,377	3,961,199	4,533,205	4,342,408	4,329,070	4,434,450
2,259,801	1,802,261	2,350,369	3,012,767	2,891,627	3,678,986
1,030,129	1,062,656	1,159,173	1,265,497	64,954	-
501,212	53,213	117,786	483,766	471,361	1,368,627
740,000	915,000	1,080,000	1,297,966	738,396	828,071
599,438	561,575	435,339	474,225	340,767	364,061
<b>11,245,634</b>	<b>11,295,478</b>	<b>12,151,241</b>	<b>13,550,633</b>	<b>11,745,091</b>	<b>13,774,115</b>
<b>1,529,927</b>	<b>191,320</b>	<b>63,104</b>	<b>50,718</b>	<b>288,237</b>	<b>2,249,740</b>
1,443,300	1,584,100	1,612,150	1,681,117	968,253	1,492,113
(1,443,300)	(1,584,100)	(1,612,150)	(1,681,117)	(968,253)	(1,492,113)
-	-	-	309,433	-	-
7,375,000	4,410,000	-	3,335,000	-	-
339,600	2,857	-	21,989	-	-
(7,599,986)	(4,412,857)	-	(3,289,345)	-	-
196,844	9,853	10,302	31,176	6,654	68,650
311,458	9,853	10,302	408,253	6,654	68,650
<b>1,841,385</b>	<b>201,173</b>	<b>73,406</b>	<b>458,971</b>	<b>294,891</b>	<b>2,318,390</b>
<b>12.31%</b>	<b>13.21%</b>	<b>12.81%</b>	<b>13.65%</b>	<b>9.54%</b>	<b>9.44%</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years**  
**April 30, 2016 (Unaudited)**

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
2006	Kane County	\$ 130,150,023	\$ 20,713,506	\$ 50,224,319
	Kendall County	N/A	N/A	N/A
2007	Kane County	143,557,685	21,254,903	52,334,881
	Kendall County	225,221,844	24,443,380	3,215,940
2008	Kane County	146,340,376	25,150,166	59,513,310
	Kendall County	239,740,364	33,432,819	2,943,895
2009	Kane County	145,339,543	24,471,644	55,883,059
	Kendall County	246,603,488	35,351,375	3,124,055
2010	Kane County	132,284,981	23,970,816	55,212,581
	Kendall County	217,611,681	36,767,375	2,947,971
2011	Kane County	115,406,949	21,077,188	46,500,648
	Kendall County	200,255,016	33,611,185	2,800,573
2012	Kane County	105,322,142	20,071,750	43,379,949
	Kendall County	183,611,931	31,452,582	2,828,579
2013	Kane County	95,690,557	15,885,918	42,166,350
	Kendall County	173,665,059	31,035,606	2,773,279
2014	Kane County	93,950,487	15,947,615	41,084,650
	Kendall County	171,747,048	31,285,233	2,773,279
2015	Kane County	98,340,197	15,641,112	43,142,637
	Kendall County	176,394,904	32,284,178	2,773,279

Data Source: Village and County Records

N/A - Not Available

Railroad Property	Farm Property	Total Equalized Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
\$ 470,773 N/A	\$ 388,241 N/A	\$ 201,946,862 205,272,490 <u>407,219,352</u>	\$ 605,901,176 615,879,058 <u>1,221,780,234</u>	33.33%	\$ 0.4390 0.4390
494,539 10,056	411,850 128,586	218,053,858 253,019,806 <u>471,073,664</u>	654,226,997 759,135,332 <u>1,413,362,329</u>	33.33%	0.3727 0.3660
600,802 10,056	459,791 126,025	232,064,445 276,253,159 <u>508,317,604</u>	696,262,961 828,842,361 <u>1,525,105,322</u>	33.33%	0.3590 0.3634
719,732 10,056	502,703 103,780	226,916,681 285,192,754 <u>512,109,435</u>	680,818,125 855,663,828 <u>1,536,481,953</u>	33.33%	0.3685 0.3664
761,544 10,056	537,493 142,280	212,767,415 257,479,363 <u>470,246,778</u>	638,366,082 772,515,341 <u>1,410,881,423</u>	33.33%	0.4154 0.4156
907,720 10,056	553,817 128,645	184,446,322 236,805,475 <u>421,251,797</u>	553,394,305 710,487,474 <u>1,263,881,779</u>	33.33%	0.4747 0.4746
970,041 10,056	424,227 139,612	170,168,109 218,042,760 <u>388,210,869</u>	510,555,383 654,193,699 <u>1,164,749,082</u>	33.33%	0.5305 0.5305
1,054,188 10,056	409,843 189,690	155,206,856 207,673,690 <u>362,880,546</u>	465,667,135 623,083,378 <u>1,088,750,513</u>	33.33%	0.5726 0.5824
1,062,546 10,056	415,211 208,290	152,460,509 206,023,906 <u>358,484,415</u>	457,381,527 618,071,718 <u>1,075,453,245</u>	33.33%	0.5989 0.5937
1,114,199 10,056	440,268 227,910	158,678,413 211,690,327 <u>370,368,740</u>	476,035,239 635,070,981 <u>1,111,106,220</u>	33.33%	0.5883 0.5804

## VILLAGE OF MONTGOMERY, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2016 (Unaudited)

	2006	2007	2008	2009
Village of Montgomery				
General Corporate	\$ 0.2107	0.1984	0.1927	0.1883
IMRF	0.0344	0.0346	0.0345	0.0390
Liability Insurance	0.0332	0.0367	0.0394	0.0458
Social Security	0.0553	0.0504	0.0493	0.0487
Police Pension	0.0553	0.0472	0.0473	0.0468
Bonds and Interest	0.0700	-	-	-
Prior Year Adjustment	-	-	(0.0040)	-
Total Direct Tax Rates	0.4589	0.3673	0.3592	0.3686
Overlapping				
Kane County	0.3452	0.3322	0.3428	0.3398
Kane County Forest Preserve District	0.1747	0.1974	0.1932	0.1997
Kendall County	-	-	-	-
Kendall County Forest Preserve District	-	-	-	-
Aurora Township	0.1501	0.1449	0.1450	0.1486
Aurora Township Road District	0.0715	0.0690	0.0691	0.0703
Oswego Township	-	-	-	-
Oswego Township Road District	-	-	-	-
Montgomery Fire Protection District	0.6242	0.6061	0.6015	0.6207
Oswego Fire Protection District	-	-	-	-
Oswego Library District	0.1826	0.2082	0.2002	0.2018
Fox Valley Park District	0.3746	0.4037	0.4014	0.4122
Oswegoland Park District	-	-	-	-
Unit School District Number 129	3.5635	4.1252	4.1724	4.1835
Unit School District Number 308	-	-	-	-
Community College District Number 516	0.3984	0.3950	0.4322	0.4043
Total Overlapping Tax Rates	5.8848	6.4817	6.5578	6.5809
Total All Rates (Representative)	6.8020	7.2163	7.2758	6.9495

#### Notes:

- (1) Property tax rates are per \$100 of assessed valuation
- (2) Representative tax rates for other government units are from Kane County Tax Code AU013, which represents the largest portion of the Village's 2006 to 2013 EAV
- (3) Representative tax rates for other government units are from Kendall County Tax Code OS009, which represents the largest portion of the Village's 2014 to 2015 EAV

Data Source: Offices of the Kane County and Kendall County Clerks

2010	2011	2012	2013	2014	2015
0.1999	0.2283	0.2459	0.2573	0.2667	0.2607
0.0461	0.0527	0.0580	0.0606	0.0629	0.0615
0.0461	0.0527	0.0682	0.0714	0.0740	0.0724
0.0543	0.0621	0.0580	0.0606	0.0629	0.0615
0.0691	0.0789	0.1104	0.1227	0.1272	0.1243
-	-	-	-	-	-
-	-	-	-	-	-
0.4155	0.4747	0.5405	0.5726	0.5937	0.5804
0.3730	0.3990	0.4336	0.4623	-	-
0.2201	0.2609	0.2710	0.3039	-	-
-	-	-	-	0.8085	0.7909
-	-	-	-	0.1826	0.1787
0.1664	0.1882	0.2162	0.2517	-	-
0.0764	0.0860	0.0978	0.1104	-	-
-	-	-	-	0.0947	0.0904
-	-	-	-	0.2124	0.2027
0.6769	0.7000	0.7000	0.8000	-	-
-	-	-	-	0.8045	0.7871
0.2207	0.2453	0.2726	0.2999	0.3058	0.2996
0.4803	0.5286	0.5863	0.6280	-	-
-	-	-	-	0.5103	0.4973
4.2740	5.1603	5.8896	6.6667	-	-
-	-	-	-	7.8803	7.3176
0.4070	0.4710	0.5312	0.5807	0.5973	0.5885
6.8948	8.0393	8.9983	10.1036	11.3964	10.7528
7.3103	8.5140	9.5388	10.6762	11.9901	11.3332

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago**  
**April 30, 2016 (Unaudited)**

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Taxpayer	2015 Levy				2006 Levy			
	Taxable Assessed Value		Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value		Rank	Percentage of Total Village Taxable Assessed Value
	Taxable Value	Assessed Value			Taxpayer	Assessed Value		
United Facilities	\$ 10,619,028	4,353,035	1	2.88%	United Facilities	\$ 8,597,822	1	2.11%
Wal-Mart Stores, Inc.	3,187,856	2,784,814	2	1.18%	Williamette Industries, Inc.	3,015,423	2	0.74%
Menards, Inc.	2,830,834	2,597,593	3	0.87%	2001 Baseline Road, LLC	2,989,994	3	0.73%
Allsteel 900 Knell LLC	2,188,961	2,188,961	4	0.77%	2001 Baseline Road, LLC	2,779,320	4	0.68%
Fox River Foods, Inc.	1,933,140	1,933,140	5	0.76%	Monmouth Capital Corp.	2,430,537	5	0.60%
Stag Montgomery, LLC	1,831,799	1,831,799	6	0.74%	Centerpoint Properties	2,365,815	6	0.58%
IP Eat Five			7	0.71%	Freeport Farm & Fleet Inc.	2,127,160	7	0.52%
JC Penny Properties, Inc.			8	0.59%	FRF Leasing	1,821,850	8	0.45%
Monmouth Capital Corp.			9	0.53%	Harris Trust & Savings			
Rochester Property, LLC			10	0.50%	Bank HTN 3137	1,776,065	9	0.44%
					Wal-Mart Stores, Inc.	1,595,810	10	0.39%
	<u>35,036,805</u>	<u>368,205,911</u>		<u>9.53%</u>		<u>29,499,796</u>		<u>7.24%</u>
2015 EAV					2006 EAV			

Data Source: Kane and Kendall Counties Assessors (The 2015 EAV is the most current)

## VILLAGE OF MONTGOMERY, ILLINOIS

### Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2016 (Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 1,684,986	\$ 1,667,661	98.97%	\$ -	\$ 1,667,661	98.97%
2007	1,735,855	1,735,135	99.96%	1,073	1,736,208	100.02%
2008	1,834,151	1,830,130	99.78%	-	1,830,130	99.78%
2009	1,881,028	1,878,698	99.88%	-	1,878,698	99.88%
2010	1,952,586	1,951,512	99.94%	-	1,951,512	99.94%
2011	1,999,478	1,995,607	99.81%	-	1,995,607	99.81%
2012	2,059,447	2,052,971	99.69%	-	2,052,971	99.69%
2013	2,096,375	2,093,262	99.85%	2,020	2,095,282	99.95%
2014	2,131,362	2,128,444	99.86%	(2,467)	2,125,977	99.75%
2015	2,136,891	*	*	*	*	*

Data Source: Village Records

\*Taxes are collected in two installments due in June and September of the following year.

Note: The percentage collected may exceed 100% due to the use of a weighted average of taxes levied by two counties.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Sales Tax Base - Taxable Sales by Category - Last Ten Calendar Years**  
**April 30, 2016 (Unaudited)**

	2006	2007	2008	2009
General Merchandise	\$ 156,861	355,410	729,003	727,772
Food	173,279	160,131	194,116	175,861
Drinking and Eating Places	155,338	157,769	147,971	166,372
Apparel	2,260	1,448	72	-
Furniture & H.H. & Radio	30,670	32,733	28,375	14,894
Lumber, Building Hardware	109,827	195,045	323,201	282,213
Automobile and Filling Stations	374,027	407,522	429,644	259,857
Drugs and Miscellaneous Retail	230,921	278,838	250,920	277,069
Agriculture and All Others	325,596	327,456	331,207	329,266
Manufacturers	186,235	216,569	161,464	112,243
Censored (1)	19,959	27,482	24,762	21,247
Totals	1,764,973	2,160,403	2,620,735	2,366,794
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-	-
Total	1.00%	1.00%	1.00%	1.00%

Notes:

- (1) Censored - The State will not release data if 4 or fewer businesses are included in a particular category for each County.
- (2) The Village Non-Home Rule Sales Tax was implemented on July 1, 2015.
- (3) The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Data Source: Illinois Department of Revenue SIC Reporting and Village Records

2010	2011	2012	2013	2014	2015 (2)
758,004	624,501	751,216	731,581	884,321	1,489,844
156,322	172,562	186,712	179,076	161,385	245,183
188,509	166,753	177,489	174,763	171,217	327,968
-	4,210	14,541	14,019	15,067	24,467
16,054	17,684	2,374	22,547	9,446	33,435
265,305	293,067	337,541	381,898	424,927	652,700
301,975	427,877	371,747	439,511	416,930	526,431
301,107	287,564	299,006	329,801	354,712	449,040
380,789	375,008	376,804	385,633	360,361	927,918
108,189	131,142	138,385	170,761	208,833	330,015
30,842	150,838	24,506	8,346	18,700	12,132
<b>2,507,096</b>	<b>2,651,206</b>	<b>2,680,321</b>	<b>2,837,936</b>	<b>3,025,899</b>	<b>5,019,133</b>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
-	-	-	-	-	1.00%
<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>2.00%</b>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years April 30, 2016 (Unaudited)

Fiscal Year		Village Portion of State Rate	State Portion of State Rate	Total State Rate	Village Non-Home Rule Rate	Regional Transportation Authority Rate	Public Safety Rate	Total Rate Village (Kendall County)
		1.00%	5.25%	6.25%	0.00%	0.25%	0.00%	6.75%
2007	Kane	1.00%	5.25%	6.25%	0.00%	0.25%	0.00%	6.50%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	0.50%	6.75%
2008	Kane	1.00%	5.25%	6.25%	0.00%	0.25%	0.00%	6.50%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2009	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2010	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2011	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2012	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2013	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2014	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2015	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2016	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%

Data Source: Village and State Records

Note: The rates listed in this table apply to sales of general merchandise. Sales of food not prepared for immediate consumption, drugs and titled vehicles are subject to a different tax rate. This rate is 1.75% in Kane County and 1.00% in Kendall County for sales of food and 7.00% in Kane County and 6.25% in Kendall County for sales of titled vehicles.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years**  
**April 30, 2016 (Unaudited)**

Fiscal Year	Governmental Activities			Business-Type Activities				Percentage of Personal Income	Per Capita
	General Obligation	Alternate Revenue	Capital Source	General Obligation	Alternate Revenue	Installment Loans	Total Primary Government		
	Revenue Bonds	Lease Payable	Bonds	Source Bonds					
2007	\$ 14,520,000	\$ -	\$ 3,795,000	\$ 968,218	\$ 19,283,218	5.50%	\$ 1,338.46		
2008	13,990,000	-	3,295,000	919,003	18,204,003	5.20%	1,263.55		
2009	15,410,000	-	3,015,000	868,464	19,293,464	4.65%	1,130.79		
2010	14,800,000	-	2,770,000	816,563	18,386,563	4.43%	1,077.63		
2011	13,985,000	-	2,515,000	763,245	17,263,245	3.85%	936.29		
2012	13,115,000	-	2,245,000	4,825,560	20,185,560	4.50%	1,094.78		
2013	12,325,300	-	1,973,909	4,774,966	19,074,175	4.00%	1,034.50		
2014	11,336,945	201,467	6,431,249	4,627,334	22,596,995	4.73%	1,225.57		
2015	10,655,742	103,071	5,995,585	6,759,592	23,513,990	4.87%	1,275.30		
2016	9,891,082	-	5,540,147	6,534,438	21,965,667	4.56%	1,191.33		

Data Source: Village Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.  
See Demographic and Economic Statistics schedule for personal income and population data.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years

April 30, 2016 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value	Percentage of Actual Taxable Value of Property	Per Capita
2007	\$ 18,315,000	39,732	18,275,268	407,219,352	4.49%	1,268.50
2008	17,285,000	41,040	17,243,960	471,073,664	3.66%	1,196.92
2009	18,425,000	-	18,425,000	508,317,604	3.62%	1,079.89
2010	17,570,000	-	17,570,000	512,109,435	3.43%	1,029.77
2011	16,500,000	33,063	16,466,937	470,246,778	3.50%	893.10
2012	15,360,000	33,063	15,326,937	421,251,797	3.64%	831.27
2013	14,299,209	56,089	14,243,120	388,210,869	3.67%	772.49
2014	17,768,194	59,033	17,709,161	362,880,546	4.88%	960.47
2015	16,651,327	56,089	16,595,238	358,484,415	4.63%	900.06
2016	15,431,229	-	15,431,229	370,368,740	4.17%	836.93

Data Source: Village Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

See Demographic and Economic Statistics schedule for population data.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Schedule of Direct and Overlapping Bonded Debt**  
**April 30, 2016 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Montgomery	\$ 15,431,229	100.000 %	\$ 15,431,229
Less: Self-Supported Debt	(15,431,229)	100.000 %	(15,431,229)
Net Direct Bonded Debt	-	-	-
<b>School Districts:</b>			
School District #115	76,449,474	7.790 %	5,955,414
School District #129	127,273,000	4.320 %	5,498,194
School District #131	128,311,175	4.230 %	5,427,563
School District #302	95,237,027	4.330 %	4,123,763
School District #308	315,332,010	10.530 %	33,204,461
Community College District #516	67,145,000	4.240 %	2,846,948
Total School Districts	809,747,686		57,056,342
<b>Other Agencies:</b>			
Kane County	44,335,000	1.120 %	496,552
Kendall County	33,413,762	8.010 %	2,676,442
Kane County Forest Preserve District	145,140,000	1.120 %	1,625,568
Kendall County Forest Preserve District	44,985,000	8.010 %	3,603,299
Fox Valley Park District	42,805,000	7.860 %	3,364,473
Oswegoland Park District	9,740,000	4.630 %	450,962
Oswego Library District	7,270,000	19.230 %	1,398,021
Sugar Grove Library District	5,285,000	12.540 %	662,739
Total Other Agencies	332,973,762		14,278,056
<b>Total Overlapping Debt</b>	<b>1,142,721,448</b>		<b>71,334,398</b>
<b>Total Direct and Overlapping Debt</b>	<b>1,142,721,448</b>		<b>71,334,398</b>

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2015 EAV, the most current available.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years**

**April 30, 2016 (Unaudited)**

	2007	2008	2009	2010
Assessed Value of Property	\$ 407,219,352	471,073,664	508,317,604	512,109,435
Debt Limit				
8.625% of Assessed Value	35,122,669	40,630,104	43,842,393	44,192,914
Total Debt Applicable to Limit	775,000	275,000	-	-
Legal Debt Margin	34,347,669	40,355,104	43,842,393	44,192,914
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.256%	0.681%	0.000%	0.000%

Data Source: Audited Financial Statements

2011	2012	2013	2014	2015	2016
<u>470,246,778</u>	<u>421,251,797</u>	<u>388,210,869</u>	<u>362,880,546</u>	<u>358,484,415</u>	<u>368,483,500</u>
40,558,785	36,332,967	33,483,187	31,298,447	30,919,281	31,781,702
-	-	-	-	-	-
<u>40,558,785</u>	<u>36,332,967</u>	<u>33,483,187</u>	<u>31,298,447</u>	<u>30,919,281</u>	<u>31,781,702</u>
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Pledged Revenue Coverage - Last Ten Fiscal Years**  
**April 30, 2016 (Unaudited)**

Fiscal Year	General Obligation Aleternate Revenue Source Bonds and IEPA Loans						Coverage
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			
				Principal	Interest		
2007	\$ 3,647,287	\$ 2,682,873	\$ 964,414	\$ 287,924	\$ 196,419		1.9912
2008	3,921,224	2,245,278	1,675,946	500,000	195,774		2.4088
2009	2,900,870	2,323,735	577,135	330,539	172,271		1.1478
2010	3,315,100	2,263,878	1,051,222	296,901	141,983		2.3952
2011	3,582,980	2,499,547	1,083,433	308,298	131,614		2.4628
2012	3,690,830	3,476,530	214,300	324,734	119,749		0.4821
2013	4,010,153	3,127,373	882,780	419,238	183,683		1.4642
2014	4,115,879	2,864,628	1,251,251	533,228	227,090		1.6457
2015	4,572,131	3,204,017	1,368,114	685,374	302,158		1.3854
2016	4,565,238	3,014,249	1,550,989	760,453	313,743		1.4439

Data Source: Village Records

(1) Total expenses exclusive of depreciation and bond interest.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2016 (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
2007	14,407	\$ 350,306,205	\$ 24,315	4.40%
2008	14,407	350,306,205	24,315	5.90%
2009	17,062	414,862,530	24,315	10.30%
2010	17,062	414,862,530	24,315	10.60%
2011	18,438	448,319,970	24,315	9.55%
2012	18,438	448,319,970	24,315	8.60%
2013	18,438	477,212,316	25,882	8.55%
2014	18,438	477,783,894	25,913	6.60%
2015	18,438	483,296,856	26,212	5.45%
2016 (3)	18,438	481,342,428	26,106	5.65%

Data Source:

- (1) US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
- (2) Illinois Department of Employment Security, Kane and Kendall Counties
- (3) Illinois Department of Employment Security, Kane and Kendall Counties, April 2016

## VILLAGE OF MONTGOMERY, ILLINOIS

### Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2016 (Unaudited)

Employer	2016			2007		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Caterpillar, Inc.	2,300	1	12.47%			
Butterball	660	2	3.58%			
Performance Food Service	456	3	2.47%			
Eby-Brown Co., LLC	400	5	2.17%	400	1	2.78%
VVF Illinois Services	350	4	1.90%			
Wal-Mart	286	6	1.55%			
Aurora Bearing Co.	251	7	1.36%			
ComEd	200	8	1.08%			
Hormann, LLC	200	9	1.08%			
Sam's Club	170	10	0.92%			
Lyon Workspace Products, LLC				400	1	2.78%
The Dial Corporation				400	1	2.78%
Fox River Foods, Inc.				340	4	2.36%
Herman Gadco, LLC				200	5	1.39%
Weyerhaeuser Co.				150	6	1.04%
Aurora Metals Divisions, LLC				112	7	0.78%
Neumann Distribution Centers, LLC				100	8	0.69%
The Lakone Co.				95	9	0.66%
	<u><u>5,273</u></u>		<u><u>28.58%</u></u>	<u><u>2,197</u></u>		<u><u>15.26%</u></u>

#### Data Source:

Montgomery Economic Development Corporation

2016 Illinois Manufacturers Directory, 2016 Illinois Services Directory, Selective telephone survey

2007 Illinois Manufacturers Directory, 2007 Illinois Services Directory, Selective telephone survey

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years**  
**April 30, 2016 (Unaudited)**

Function/Program	2007	2008	2009	2010
<b>General Government</b>				
Administration	3.50	3.50	3.00	3.00
Finance	5.75	5.75	5.75	4.50
Building	5.00	5.00	-	-
Community Development	3.75	3.75	5.00	5.00
<b>Public Safety</b>				
Police				
Sworn Officers	25.00	25.00	23.00	23.00
Civilians/Other	10.00	10.00	11.00	11.00
<b>Public Works</b>				
Administration	3.00	3.00	2.00	2.00
Street Maintenance	8.00	8.00	7.00	7.00
Water Operations	2.00	2.00	2.00	2.00
Building Maintenance	1.00	1.00	1.00	1.00
Fleet Maintenance	1.50	1.50	1.50	1.50
<b>Totals</b>	<b>68.50</b>	<b>68.50</b>	<b>61.25</b>	<b>60.00</b>

Data Source: Village Records

2011	2012	2013	2014	2015	2016
4.00	3.00	3.88	2.38	1.88	1.88
4.50	4.50	5.50	5.50	6.00	6.00
-	-	-	-	-	-
5.00	3.50	3.50	4.70	5.00	5.00
23.00	23.00	23.00	25.00	25.00	25.00
11.00	11.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
7.00	8.00	7.00	8.50	8.50	9.00
2.00	2.00	3.00	3.00	3.00	3.00
1.00	-	1.00	1.00	1.00	1.00
1.50	1.00	1.00	1.00	1.00	1.00
61.00	58.00	52.88	56.08	56.38	56.88

## VILLAGE OF MONTGOMERY, ILLINOIS

### Operating Indicators by Function/Program - Last Ten Calendar Years

**April 30, 2016 (Unaudited)**

Function/Program	2006	2007	2008
General Government			
Accounts Payable			
Checks Issued	-	-	-
ACH Transactions	-	-	-
Percent of Accounts Payable as ACH	-	-	-
Voided Checks	-	-	-
Percent of Accounts Payable Voided	-	-	-
Payroll			
Direct Deposits	-	-	-
Checks Issued	-	-	-
Percent of Payroll as Direct Deposits	-	-	-
Debt			
Bond Rating	-	-	-
Police			
Physical Arrests	508	565	703
Parking Violations	621	547	597
Traffic Violations	3,243	2,978	4,715
Truck Overweight Violations	-	-	-
Public Works			
Reconstruction (Miles)	0.5	1.8	1.5
Resurfacing (Miles)	-	-	-
Sidewalk Replacement (Sq. Ft.)	-	-	-
Parkway Tree Planting	-	-	-
Parkway Tree Removal	-	-	-
Water			
Number of Accounts	-	-	-
Average Bi-Monthly Bill	-	-	-
Payment Types			
Lockbox	-	-	-
Epayment (Village Website)	-	-	-
Bill Pay (Bank Website)	-	-	-
Phone	-	-	-
Credit Card	-	-	-
Direct Debit	-	-	-
Other	-	-	-
Peak Daily Consumption	4,596,000	4,332,000	4,539,000
Average Daily Consumption	2,389,921	2,459,795	2,642,000
Water Main Breaks	60	56	55
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	-
New Connections	636	782	251

Data Source: Village Records

2009	2010	2011	2012	2013	2014	2015
-	-	-	-	-	2,455	4,206
-	-	-	-	-	58	65
-	-	-	-	-	2.3%	1.5%
-	-	-	-	-	23	23
-	-	-	-	-	0.9%	0.5%
-	-	-	-	-	1,506	1,477
-	-	-	-	-	402	334
-	-	-	-	-	78.9%	81.6%
-	-	-	-	-	AA	AA
845	930	912	2,221	994	1,505	993
670	826	786	1,316	1,273	1,184	984
4,314	3,940	4,023	4,141	2,474	2,758	2,884
-	-	-	-	-	-	77
1.3	0.4	-	-	-	-	-
-	2.0	1.5	0.6	1.1	0.9	6.7
-	-	-	-	3,100	4,475	1,480
-	-	-	-	142	174	282
-	-	-	-	152	749	475
-	-	-	-	-	9,114	9,111
-	-	-	-	-	\$ 68.85	\$ 70.30
-	-	-	-	-	-	27.6%
-	-	-	-	-	-	18.1%
-	-	-	-	-	-	11.8%
-	-	-	-	-	-	7.9%
-	-	-	-	-	-	5.5%
-	-	-	-	-	-	4.4%
-	-	-	-	-	-	24.7%
4,120,000	4,159,000	4,200,590	3,907,000	3,563,800	3,732,300	3,384,000
2,583,000	2,694,800	2,721,750	2,441,000	2,156,394	2,443,000	2,243,917
67	55	57	53	56	44	19
-	-	-	-	-	1,428	1,580
-	-	-	-	300	300	325
49	85	63	62	30	50	22

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years**  
**April 30, 2016 (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	3	3	3	4	4	4	4	4	4
Patrol Units	13	15	15	15	15	15	19	19	19	19
<b>Public Works</b>										
Residential Streets (Miles)	53	53	53	58	74	76	76	76	76	76
<b>Water</b>										
Water Mains (Miles)	-	-	-	-	110	114	114	117	117	117
Fire Hydrants	-	-	-	-	1,050	1,372	1,372	1,680	1,680	1,680
Storage Capacity (Millions of Gallons)	-	-	-	-	4.8	4.8	4.8	5.8	5.8	5.8

Data Source: Village Records